Keeping our promises.
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*Underscored text links to related content within this document, prudential.com, or an external website.*
For more than 135 years, Prudential has been making – and keeping – long-term commitments to our customers. Our mission is clear — to provide high-quality guidance, services and products to our customers, both individuals and institutions, to help them achieve their financial objectives.

Delivering on our commitments requires strategically integrating financial and nonfinancial activities. We measure our long-term success in our ability to deliver value for shareholders, meet customer needs, attract and develop the best talent in our industry, offer an inclusive work environment where employees can develop to their full potential and support the communities where we live and work.

For many companies, 2012 was a challenging year. I am pleased that Prudential achieved another year of strong performance. Our success is a reflection of our ability to build on momentum in our businesses and execute against our strategy, while retaining our relentless focus on the talent of our people, the quality of our products and services, and the principles and values that are our legacy.

This Sustainability Report outlines how Prudential’s policies and programs support the company’s long-term health. It also discusses progress we have made since releasing our 2011 report. Highlights include:

- We broadened our longstanding efforts in stakeholder engagement by joining the Ceres Network of Companies. We are honored to number among and learn from firms with strong, demonstrated commitments to responsible long-term vitality;

- We created an enterprise-wide Sustainability Council to deepen the assimilation of sustainability into our businesses. Presenting to Prudential’s Senior Management Committee, the Council has responsibility for developing a firm-wide sustainability strategy and supporting its execution within their respective operations;

- We achieved our 2013 greenhouse gas reduction goals six months early and then exceeded that target by year-end;

- We continued to engage other companies and civic leaders in supporting armed services Veterans in their productive return to their communities and families;

- We introduced a new and enhanced anti-corruption/anti-bribery policy, strengthened our risk management functions and outlined a new Diversity and Inclusion strategy.

The goal of this report is to communicate our Sustainability commitment in a clear, concise fashion. We hope that this report will engender productive dialogue and feedback about issues meaningful to our company and our constituents.

John Strangfeld
Chairman and Chief Executive Officer
Message from the Board of Directors

I am pleased to have the opportunity to communicate with you through Prudential’s 2012 Sustainability Report.

Sustainability is firmly entrenched in the values and principles that guide Prudential’s Board. Our commitment is clear and tangible: environmental, sustainability and corporate responsibility experience are among the skills that should be represented on Prudential’s Board. Oversight of the company’s sustainability strategy is included in the Charter of the Governance and Business Ethics Committee I am privileged to chair.

Prudential’s 2011 Sustainability Report made a commitment to progress. We are pleased that the company made meaningful steps forward last year.

- One of the most significant developments was the creation of a Sustainability Council. We expect that the Council members – leaders from Prudential’s business divisions and corporate centers – will drive sustainability integration in their respective units and broaden understanding of long-term value creation among their colleagues.

- Becoming a Ceres Network Company, another 2012 event, supports the Board’s and Prudential’s history of transparency and proactive dialogue. Our recent stakeholder engagement, facilitated by Ceres, has provided valuable guidance to our developing strategy and initiatives.

Board members oversee Prudential’s activities with an eye toward the company’s ability to keep our long-term promises to shareholders, clients, communities and other stakeholders. Our 2012 Sustainability Report documents our continuing efforts.

We hope you find this document interesting and informative, and we welcome your feedback.

Constance J. Horner
Chair, Governance and Business Ethics Committee
About Our Company

Mission
To help our customers achieve financial prosperity and peace of mind.

Vision
To distinguish Prudential as an admired multinational financial services leader, trusted partner, and provider of innovative solutions for growing and protecting wealth.

Core Values
How we conduct our business is just as important as what we do. Our core values are the principles that guide us daily in helping our customers achieve financial prosperity and peace of mind.

- **Worthy of Trust**: We keep our promises and are committed to doing business the right way.
- **Customer Focused**: We provide quality products and services that meet our customers’ needs.
- **Respect for Each Other**: We are inclusive and collaborative, and individuals with diverse backgrounds and talents can contribute and grow.
- **Winning**: We are passionate about becoming the unrivaled industry leader by achieving superior results for our customers, shareholders, and communities.

Name of Organization
Prudential Financial, Inc.
www.prudential.com

Headquarters: Newark, New Jersey, USA
Prudential Financial, Inc. Common Stock is traded on the New York Stock Exchange under the symbol “PRU.”

Highlights (as of 12-31-12)
$1.060 trillion in assets under management
Approximately $3.6 trillion of gross life insurance in force worldwide**
Serving institutional and individual customers in more than 30 countries
Approximately 48,500 employees and sales associates worldwide

Three Divisions
Prudential conducts its principal businesses through three divisions:

- The **U.S. Retirement Solutions and Investment Management Division**;
- The **U.S. Individual Life and Group Insurance Division**; and
- The **International Insurance Division**.

The company also conducts corporate activities in **Corporate and Other** operations.

The businesses that comprise Prudential’s three operating divisions and Corporate and Other operations are referred to collectively as the “Financial Services Businesses.” Prudential’s Common Stock reflects the performance of the Financial Services Businesses.

Prudential Financial, Inc. (PFI) of the United States is not affiliated with Prudential plc, which is headquartered in the United Kingdom. Pramerica and Pricoa are trade names used by PFI and its affiliates in select markets outside the United States.

** Includes closed block policies.
# Organizational Overview

<table>
<thead>
<tr>
<th>DIVISION</th>
<th>BUSINESS SEGMENT</th>
<th>PRODUCTS AND SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Retirement Solutions and Investment Management Division</td>
<td>Asset Management</td>
<td>Offers a broad array of domestic and international investment management and advisory services by means of institutional portfolio management, mutual funds, and structured products.</td>
</tr>
<tr>
<td></td>
<td>Individual Annuities</td>
<td>Manufactures and distributes individual variable and fixed annuity products.</td>
</tr>
<tr>
<td></td>
<td>Retirement</td>
<td>Provides retirement investment and income products and services to public, private and not-for-profit organizations.</td>
</tr>
<tr>
<td>U.S. Individual Life and Group Insurance Division</td>
<td>Individual Life</td>
<td>Manufactures and distributes individual variable life, term life and universal life insurance products.</td>
</tr>
<tr>
<td></td>
<td>Group Insurance</td>
<td>Manufactures and distributes a full range of group life, long-term and short-term disability, and group corporate-bank- and trust-owned life insurance primarily to institutional clients for use in connection with employee and membership benefits plans.</td>
</tr>
<tr>
<td>International Insurance Division</td>
<td>International Insurance</td>
<td>Manufactures and distributes individual life insurance, retirement and related products, including certain health products with fixed benefits.</td>
</tr>
</tbody>
</table>
# Countries of Operation/Markets Served

<table>
<thead>
<tr>
<th>COUNTRIES OF OPERATION (LOCATION OF EMPLOYEES)</th>
<th>MARKETS SERVED FOR INDIVIDUAL AND INSTITUTIONAL CLIENTS INCLUDE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>U.S. (including Guam), Bermuda, Canada, Cayman Islands, Mexico</td>
</tr>
<tr>
<td>Asia &amp; Australia</td>
<td>Australia, China (including Hong Kong), India, Indonesia, Japan, Singapore, South Korea, Taiwan</td>
</tr>
<tr>
<td>South America</td>
<td>Argentina, Brazil, Chile</td>
</tr>
<tr>
<td>Europe &amp; Middle East</td>
<td>Austria, Bahrain, Belgium, Denmark, France, Germany, Ireland, Italy, Kuwait, Luxembourg, Netherlands, Portugal, Qatar, Saudi Arabia, Sweden, Switzerland, United Arab Emirates, United Kingdom (including Guernsey and Scotland)</td>
</tr>
</tbody>
</table>
Financial Performance

**Adjusted Operating Income**
On an after-tax adjusted operating income basis our Financial Services Businesses earned $2.969 billion, or $6.29 per share of Common Stock in 2012, compared to $2.852 billion or $5.84 per share of Common Stock in 2011.

Adjusted operating income is a non-GAAP measure of performance of Prudential's Financial Services Businesses that is adjusted for certain items. Adjusted operating income is not a substitute for income determined in accordance with generally accepted accounting principles (GAAP), and the adjustments made to derive adjusted operating income are important to an understanding of our overall results of operations. Reference to adjusted operating income and net income refer to amounts attributable to Prudential Financial, Inc.

For additional information about adjusted operating income and the comparable GAAP measure, including reconciliation between the two, please refer to Forms 10-K and 10-Q located on the Investor Relations website.

**Net Income**
Net income of Financial Services Businesses attributable to Prudential Financial, Inc. for year 2012 was $428 million, or 94 cents per Common share, compared to $3.42 billion or $6.99 per Common share for 2011.

**Revenues**
On an adjusted operating income basis, Prudential recorded $81.1 billion of revenues for 2012 for our Financial Services Businesses, compared to $38.9 billion for 2011.

**Sales and Net Flows**
One of the ways that the company gauges value to customers is in terms of sales and net flows.

<table>
<thead>
<tr>
<th>SEGMENT</th>
<th>2012 SALES/NET FLOWS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement</td>
<td>$43.7 billion in net flows</td>
</tr>
<tr>
<td>Asset Management*</td>
<td>$30.0 billion in net flows</td>
</tr>
<tr>
<td>Individual Life Insurance</td>
<td>$412 million in sales**</td>
</tr>
<tr>
<td>Individual Annuities</td>
<td>$11.8 billion in net flows</td>
</tr>
<tr>
<td>Group Insurance</td>
<td>$439 million in sales**</td>
</tr>
<tr>
<td>International Insurance</td>
<td>$4.1 billion (on a constant dollar basis) in sales**</td>
</tr>
</tbody>
</table>

*Institutional and retail net flows, excluding money market activity.

**Annualized new business premiums.

**Assets Under Management**
Prudential also measures its aggregate success in total assets under management, which were $1.060 trillion as of year-end 2012, up from $901 billion from the previous year.

**Corporate Transactions**
In September 2012, Prudential announced the acquisition of The Hartford’s individual life insurance business. The deal closed in January 2013, bringing approximately 700,000 Hartford life insurance policies with a face amount in force of approximately $141 billion. The expanded operation ranks among the five largest individual life insurance operations in the U.S., based on new premium sales.

In 2012, Prudential closed two landmark pension risk transfer agreements with General Motors and Verizon Communications, transferring more than $33 billion in pension account values from those companies to Prudential.

**Ratings**
Prudential’s domestic insurance company subsidiaries’ Financial Strength ratings, as determined by the major independent rating agencies, are as follows:

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.M. Best Company</td>
<td>A+</td>
</tr>
<tr>
<td>Standard &amp; Poor’s</td>
<td>AA-</td>
</tr>
<tr>
<td>Moody’s</td>
<td>A1</td>
</tr>
<tr>
<td>Fitch Ratings</td>
<td>A+</td>
</tr>
</tbody>
</table>

Moody’s does not rate Pruco Life Insurance Company of New Jersey or Prudential Annuities Life Assurance Corporation. Ratings as of August 8, 2013. For more information, please see the complete chart in the company’s 10-Q for the quarterly period ended June 30, 2013.
Sustainability at Prudential
Sustainability at Prudential

“The core of Prudential’s culture is a sense of higher purpose. For more than 135 years, we have been passionate about investing in our financial and human capital in order to make a difference in the lives of our customers, our investors, our employees and our communities.”

Mark Grier
Vice Chairman and Executive Sponsor for Sustainability

At Prudential, “sustainability” is a promise we make every day. We deliver on this promise through initiatives, planning and policies that:

- Safeguard our financial strength,
- Deliver value for our stakeholders,
- Build an inclusive culture that attracts and develops outstanding talent, and
- Support our communities.

Monitoring and influencing trends
Along with focused sustainability programs, remaining vital over the long term requires carefully monitoring and influencing trends that may affect the company and its industry.

At Prudential, we continue to watch and, where appropriate, engage with leaders in these areas:

- Global economic and social volatility that may affect product performance and financial results;
- Consumer perceptions of business, particularly in financial services, which affect our engagement with stakeholders, and future employees and customers;
- Regulation and legislation focused on financial services businesses worldwide;
- Best practices in leadership and talent management so that Prudential is able to attract and retain the caliber of talent crucial to the success of our businesses;
- Environmental issues that may present risks and business opportunities for the company; and
- The vitality of communities in which we work and do business, which affects the lives and living conditions of our investors, customers, shareholders, employees and neighbors.

Continuous improvement
Joining the Ceres Network of Companies has allowed Prudential to authenticate and enhance its commitment to sustainability. Network membership creates both responsibilities and opportunities.

The Board of Directors and senior management commit to continuously improving Prudential’s environmental and social performance, in alignment with the company’s values. Evidence of Prudential’s progress is included in this report.

- The company continues to report publicly on its sustainability strategy, commitments and performance, using the Global Reporting Initiative Guidelines.
- Acknowledging the importance of integrating and considering stakeholder feedback into performance and disclosure, Prudential has had the opportunity to engage with members of the Ceres coalition of investors and sustainability experts, as well as other stakeholders, in dialogue regarding sustainability disclosure, strategy, commitments and performance.

In February 2013, Ceres facilitated a meeting between a group of Ceres coalition members and other stakeholders, including investors, customers and advocates, with members of Prudential’s Environmental Task Force, the company’s Sustainability Council and other key staff.

STAKEHOLDERS
Stakeholder relationships reflect the company’s historical and current business practices and emerging forms of engagement. Throughout this report, Prudential’s relationship with various organizations may be mentioned, to reflect currently significant relationships. In more general terms, Prudential’s stakeholders include:

- Shareholders and other investors
- Customers, both individual and institutional
- Employees and retirees
- Independent financial advisors and intermediaries
- Community leaders and neighbors
- National and local government officials located in the U.S. and abroad
- U.S. state and federal and international regulators
- Suppliers, vendors, and business partners
The following chart summarizes feedback received by the company, from the Ceres-led session, with indications of the company’s response.

<table>
<thead>
<tr>
<th>RECOMMENDATION</th>
<th>STATUS</th>
<th>INITIATIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sustainability Strategy:</strong> Develop a sustainability strategy that outlines the company’s material environmental, social and financial issues, outlines the company’s vision for enhanced performance, and creates clear goals and targets. Future sustainability reports should reflect this strategy.</td>
<td>In development. Will be reported more fully in the Sustainability Report published in 2014.</td>
<td>Defining material sustainability issues is the center of the Global Reporting Initiative’s recently issued G4 guidelines and required by Integrated Reporting. This analysis will be broadly useful.</td>
</tr>
<tr>
<td><strong>Products and Investments:</strong> Build on existing efforts and develop a holistic approach that integrates sustainability across investment management efforts. Raise awareness of customers about proactively addressing these challenges. Set target for GHG gas or energy-use reduction in its real estate portfolio. Engage tenants on sustainability issues.</td>
<td>Under consideration.</td>
<td>Relative to customer awareness, Prudential participated in the working group supporting the development of CERES Blueprint for Sustainable Investing, and continues its active engagement with the Investor Network on Climate Risk. Prudential Real Estate Investors is pursuing benchmarking more funds to the Global Real Estate Sustainability Benchmark.</td>
</tr>
<tr>
<td><strong>Risk Management:</strong> Consider opportunities to explicitly factor in environmental and social factors as part of its Enterprise Risk Management. Consider how environmental and social factors will mitigate or enhance risks in key regional areas.</td>
<td>Under way.</td>
<td>Enterprise Risk Management executives are actively involved in Prudential’s Sustainability Council and its Environmental Task Force.</td>
</tr>
<tr>
<td><strong>Climate Change:</strong> Further articulate the company’s strategy to address climate change in future Sustainability Reports. Set a new, ambitious and long-term GHG emissions reduction goal. Consider measuring and reporting Scope 3 GHG emissions.</td>
<td>In development.</td>
<td>The company is currently reviewing methodologies that could improve Scope 3 reporting. The Environmental Task Force will begin work on an updated Environmental Commitment in late 2013.</td>
</tr>
<tr>
<td><strong>Integrated Reporting:</strong> Reflect a single strategy and approach to linking financial and sustainability factors in reporting on Prudential’s longer-term viability. Capture the company’s business case for sustainability, including how environmental and social programs support financial profitability. Continue a broad scope for sustainability disclosure.</td>
<td>Under way.</td>
<td>This Sustainability Report has more explicitly tied Prudential’s environmental, social and governance activities to the company’s profitability, either through quantitative data or a statement of the company’s firmly held beliefs.</td>
</tr>
<tr>
<td><strong>Customer engagement around ESG products:</strong> Consider integrating sustainability across the product and service life cycle, including investing in R&amp;D that demonstrates the business case for integrating sustainability into investments and products, third-party verification that demonstrates credibility of any sustainability products, and training and incentives for sales professionals.</td>
<td>In development.</td>
<td>Many of Prudential’s products and services reflect a long-term customer relationship and require, by their nature and regulation, a strong commitment to long-term value creation. The company will continue to consider opportunities to promote a greater understanding of sustainability among its customers, employees and other stakeholders.</td>
</tr>
</tbody>
</table>
Driving integration
Accountability for Prudential's sustainability strategy and performance starts with oversight at the Board level, in the Governance and Business Ethics Committee. The Committee's charter states:

“The Corporate Governance and Business Ethics Committee oversees the Board’s corporate governance procedures and practices, including the recommendations of individuals for the Board, making recommendations to the Board regarding director compensation and overseeing the company’s ethics and conflict of interest policies, its political contributions and lobbying expenses policy and its strategy and reputation regarding environmental stewardship and sustainability responsibility throughout the company’s global businesses.”

Operationally, Prudential’s Senior Management Committee (SMC) supervises sustainability strategy, practices and initiatives. Mark Grier, Prudential’s Vice Chairman and a member of the SMC, is executive sponsor of the Sustainability and Environment functions.

Functionally, Prudential’s Vice President, Environment and Sustainability, leads the work in collaboration with two parallel organizations: Prudential’s Sustainability Council and its Environmental Task Force.

Created in late 2012, the Sustainability Council considers issues and provides advice to the SMC related to Prudential’s long-term vitality. Representing a variety of stakeholders including investors, clients and employees, Council members work to broaden participation in sustainability, further driving integration of sustainability into their respective divisions.

The Council also serves as a developmental opportunity for executives by engaging them in cross-enterprise integrated thinking. In 2013, the Council’s areas of work include reporting and policy development.

Prudential's Environmental Task Force is responsible for developing environmental stewardship and risk management programs for the company. In addition, the group monitors developments in environmental law and regulation, and consolidates information about environmental initiatives undertaken by Prudential.

Reporting
Prudential has publicly reported on environmental stewardship, risks and business opportunities through the Carbon Disclosure Project (CDP) since 2008. Copies of Prudential’s reports are available through the CDP website.

Prudential is also an active participant in the International Integrated Reporting Council's pilot project. Margaret M. Foran, Chief Governance Officer, Vice President and Corporate Secretary, joined the Council’s Advisory Board in early 2013.

About This Report
This is Prudential’s second annual consolidated Sustainability Report, covering the period January 1 – December 31, 2012. As with the earlier 2011 document published in June 2012, this publication follows the Global Reporting Initiatives 3.1 Application Level C guidelines with reference to the Financial Services Sector Supplement.

It addresses the parent company and wholly-owned subsidiaries, comprising U.S. and international subsidiaries’ operations, and does not include joint venture partnerships.

In general, the report reflects no material changes from previous period in scope or boundaries: The following sections refer to U.S. operations only:

- Environment: Performance
- Social: The Market and Community Pillars of Diversity and Inclusion, and Health, Wellness and Work/Life, Advocacy

Also, only those awards considered to be material to this report have been included on page 41.

Information about data measurement techniques is indicated in the related sections of the Report, including Financial Performance (Adjusted Operating Income); Annual Performance Update – Environmental Stewardship; and Employee Engagement.

The report’s content is organized to mirror the order of the categories of the acronym “ESG.” It begins with an overview of the company’s environmental initiatives (“A Promise of a More Sustainable Future”). Next, it covers the social activities that undergird Prudential’s long-term vitality in a people-centered business (“A Promise to Our People and Our Communities”). Finally, it discusses governance practices that are important to the company’s enduring success in a risk-management industry (“A Promise of Responsible and Responsive Leadership”).
Environment  A Promise of a More Sustainable Future
Environment: A Promise of a More Sustainable Future

In October 2012, Prudential installed a two-acre, 3,300-panel solar array at Prudential’s regional service center in Dresher, Pa., with a ribbon-cutting ceremony hosted by Mark Grier, the company’s Vice Chairman. At the event, Grier announced that in June the company had achieved its 2013 goal of reducing greenhouse gas emissions by 10 percent, more than six months ahead of schedule.

Prudential set that objective when it published its Environmental Commitment in 2009. An outcome of shareholder engagement, Prudential’s commitment includes a strong statement about the company’s understanding of risks and opportunities:

“We recognize the emerging risk of global climate change, and the impact it could have on our industry and our customers around the world.

We have a strong corporate commitment to clean and renewable energy and energy efficiency, both in our operations and in our investments.

We will continue to develop our understanding of climate and energy and take actions that protect the environment and strengthen our businesses.

The Commitment outlines three areas of work: Stewardship, Opportunity and Engagement.

Stewardship

Reducing its environmental footprint across the company’s domestic operationally controlled, owned and leased corporate home office portfolio has been a priority at Prudential since 1998. Introduced as a cost-reduction effort, Prudential’s environmental responsibility has also emerged as a value proposition for the company’s investors, customers and employees.

Prudential’s work has evolved from being a function driven by local facility managers to a broad range of initiatives that also involve printing, procurement and technology teams, the company’s Governance organization, and employees across the company.

To produce both operating results and responsible action, they include:

• Evaluating and measuring operating practices, equipment specifications and purchasing;
• Installing energy-efficient HVAC equipment and lighting;
• Cleaning with “green” products and practices;
• Utilizing sustainable flooring products, low or no volatile organic compounds and paint products and sustainable insulating materials where feasible; and
• Computer virtualization, standardized use of Energy Star equipment and reuse, recycling or certified responsible disposal of technology.

“Prudential people are proud to come to work in buildings that reflect their own commitment to smarter resource use.”

Mark Grier
Vice Chairman and Executive Sponsor for Sustainability

The solar array at Prudential’s Dresher, Pa., regional service facility provides partial power to the data center located on the campus. It is the second solar array installed by Prudential at a data center. The other is located at Prudential’s operations in Roseland, N.J. A third solar array serves a major location in Scottsdale, Ariz. In 2012, arrays at the three offices generated more than 3.3 gigawatt-hours of power, reducing the total output by the greenhouse gas equivalent of 486 cars and helping strengthen local power grids.
### Annual Performance Update – Environmental Stewardship:

U.S. operationally controlled, owned and leased corporate home office portfolio

The following chart documents progress made at Prudential’s operationally controlled, owned and leased corporate home office domestic portfolio:

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Square Footage</td>
<td>6,080,701</td>
<td>6,080,701</td>
<td>6,114,916</td>
<td></td>
</tr>
<tr>
<td>GHG Emissions (MTCO2-e)(^1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note: Scopes- 1 and 2 broken out by actual unit of energy measure.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope-1:</td>
<td>5,090 MTCO2-e</td>
<td>6,052 MTCO2-e</td>
<td>5,836 MTCO2-e</td>
<td></td>
</tr>
<tr>
<td></td>
<td>101,784 MBTU</td>
<td>120,641 MBTU</td>
<td>115,817 MBTU</td>
<td></td>
</tr>
<tr>
<td>Scope-2:</td>
<td>70,613 MTCO2-e</td>
<td>72,323 MTCO2-e</td>
<td>78,534 MTCO2-e</td>
<td></td>
</tr>
<tr>
<td></td>
<td>138,267,775 Kwh</td>
<td>141,691,249 Kwh</td>
<td>153,846,334 Kwh</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.98 x 10(^{14}) Joules</td>
<td>5.13 x 10(^{14}) Joules</td>
<td>5.53 x 10(^{14}) Joules</td>
<td></td>
</tr>
<tr>
<td>Scope-3:</td>
<td>11,130 MTCO2-e</td>
<td>12,367 MTCO2-e</td>
<td>12,422 MTCO2-e</td>
<td></td>
</tr>
<tr>
<td>Totals:</td>
<td>86,833 MTCO2-e</td>
<td>90,742 MTCO2-e</td>
<td>96,792 MTCO2-e</td>
<td></td>
</tr>
<tr>
<td>GHG emission progress</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>towards 2012 goal of 10% reduction</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>over 2007 levels.(^5)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prudential has exceeded its goal of reducing GHG emissions by 10% from the 2007 levels.</td>
<td>Prudential has reduced GHG emissions by more than 9% from 2007 levels.</td>
<td>Prudential has reduced GHG emissions by 4.2% from 2007 levels.</td>
<td>Our 2012 GHG emissions are reduced by 4%, as compared to our 2011 GHG emissions.</td>
</tr>
<tr>
<td>Recycling (Tons)</td>
<td>1,610(^6)</td>
<td>2,000(^7)</td>
<td>2,032</td>
<td>20% decline since 2010</td>
</tr>
<tr>
<td>Water Usage (Gallons)</td>
<td>81,031,859(^8)</td>
<td>80,408,296(^7)</td>
<td>82,835,560</td>
<td>Reflects both potable and nonpotable water consumption.</td>
</tr>
</tbody>
</table>

**Notes:**

1. MTCO2-e denotes the unit of measure for CO2 emissions as Metric Tons of Carbon Dioxide Equivalency. This is the standard measurement of the amount of CO2 emissions that are reduced from the environment.
2. Scope-1 Emissions are from direct emission sources such as oil and natural gas consumption utilized by Prudential.
3. Scope-2 Emissions are from indirect emission sources such as emissions from power generation plants that supply electricity purchased by Prudential.
4. Scope-3 Emissions are optional emission sources from our employee business air travel. (Short and Long Haul miles)
5. Prudential’s base year starting point for GHG emission reduction was 2007.
6. A decline in paper use is the principle reason behind the drop in recycling, enabled by more two-sided printing and electronic communications.
7. 2011 statistics for recycling and water consumption have been restated to reflect actual rather than estimated numbers.
8. During 2012, Prudential experienced major water leakages at two regional service centers. In addition, the company began to transition from offering bottled spring water to a filtered water service in employee work areas.
LEED Gold Building in Newark
In 2012, Prudential announced its intention to build a new office tower in its headquarters city of Newark, N.J. Along with boosting the city’s economy and quality of life, the building will also support Newark’s environmental initiatives, including brownfield redevelopment.

To achieve the intended LEED Gold certification, the building will incorporate building features and high-performance systems designed to reduce energy consumption. Landscaping, a roof garden stormwater reuse system and high-efficiency plumbing will control water consumption and relieve the burden on city storm sewers. In addition, material design and green operations will promote a healthy environment for Prudential employees working in the building.

Outside United States, the company’s international operations also have initiatives aimed at environmental stewardship. Aggregating data on Prudential’s global programs and initiatives is under way. As of the publication of this report, Prudential’s Environmental Task Force is developing a global statement of the company’s commitment to stewardship.

Prudential Tower in Tokyo, Japan
Prudential operates a number of businesses in Japan, the largest being Prudential of Japan (POJ) and Gibraltar Life. POJ creates and distributes individual life insurance, retirement and related products through a network of financial services professionals. Gibraltar’s Life Consultants market similar products to clients, including through affinity organizations like teachers’ groups, complemented by bank and independent agency distribution. Both companies are headquartered in Tokyo.

In 2008 and 2009, the companies’ executive officers approved environmental commitments that state: “We believe that the financial security and peace of mind that we deliver are only meaningful when customers are in a healthy environment where they can feel safe and comfortable.” Both companies have promised to make efforts to protect the environment so that customers’ wishes are delivered to their loved ones.

Supporting the commitment are pledges from the businesses to comply with environmental laws and regulations, reduce resource use and waste, and create environmentally friendly services. Both companies’ employees are encouraged to support an eco-friendly environment at work and home and to engage with and communicate to customers on green issues.

The policy has had an impact, reducing both companies’ energy intensity. Employees and sales professionals support the companies’ efforts. For example, in addition to organizing volunteer projects to support a greener Japan, POJ’s sales force professionals – known as Life Planners – engage with their customers on resource stewardship. These conversations are facilitated by two product enhancements.

• In 2010, POJ introduced “E-contracts” and “E-rates.” Customers may choose to have their insurance policies or their rate documents delivered to them electronically instead of a hard-copy document. This has resulted in a substantial reduction in servicing costs and paper.

• A percentage of the monies saved through the program is donated to nonprofit organizations specializing in forest preservation in Japan. Since 2010, POJ has contributed more than J¥ 15 million to forestry organizations, some of which have granted money to projects in areas affected by the 2011 tsunami.
Opportunity
Overall, Prudential Investment Management (PIM), the company’s asset management business, has committed to considering environmental, social and governance factors – to the extent they are material – in investment decisions.

Prudential Real Estate Investors is one of the eight units that comprise PIM. In 2009, PREI executives heard a very clear message from some customers and other stakeholders: ‘We would like to invest in green real estate, because we believe it provides superior risk-adjusted returns.’

PREI responded by signing the Principles for Responsible Investment, issuing its proprietary Sustainable Standard Operating Guidelines and engaging with standard-setting and other leadership organizations in the field.

Commercial real estate is acknowledged as one of the major users of energy and contributors to greenhouse gas emissions. Some studies attribute almost 40 percent of all energy usage and an equivalent amount of greenhouse gases to commercial buildings. Through its environmental initiatives, PREI has been able to add value to its portfolio – which totals more than 400 million square feet – while diminishing the impact of many of its properties.

An international cadre of PREI executives participates in sustainability teams. They are responsible for implementing environmental initiatives in the portion of the portfolio they oversee. At PREI’s Madison, N.J., headquarters – which is certified LEED Platinum – the senior leadership team oversees and guides programs recommended by sustainability team members that are designed to add value and reduce risk.

David De Vos, Vice President, Sustainability at PREI, is responsible for driving and implementing PREI’s environmental initiatives. He is also accountable for achieving two value challenges set by PREI. PREI achieved the first, a 2011 challenge to add $50 million in value to PREI’s portfolio through sustainable initiatives that year, and exceeded that goal by $7 million.

A second, two-year challenge to add $100 million in value to the portfolio is under way. At the end of 2012, about $44 million in value had been added, and PREI is on track to meet the full goal by the end of 2013.

Projects that contributed to progress in both challenges included:
- Lighting and lighting controls
- Building automation and equipment upgrades
- Water-efficient fixtures and irrigation controls
- Solar photo-voltaic installations
- Tenant education

PREI is one of the company’s investment businesses that seek to offer superior returns to customers through environmental and sustainability initiatives. Another PIM unit – Prudential Fixed Income Investors – issued a Sustainability Commitment in 2012, which discusses how the firm will integrate environmental, social and governance criteria into all due diligence reviews.

Prudential Capital Group – another investment unit – manages a $2.3 billion (as of 12/31/12) portfolio of clean-tech investments.

PREI’s Portfolio
As of December 31, 2012:

- More than 50 US LEED certifications covering more than 18.7 million square feet with a gross market value exceeding $6.2 billion
- Eight funds graded by the Global Real Estate Sustainability Benchmark
- More than 300 buildings included in the Urban Land Institute’s Greenprint Center for Building Performance

More information about PREI’s Sustainability Initiatives is included in that group’s 2012 Sustainability Report.
Engagement
Providing information about and involving its associates in the company’s environmental initiatives is an important aspect of Prudential’s employee value proposition.

Employee engagement in environmental initiatives ranges from participation in green teams and volunteer programs to creating educational programs for other Prudential colleagues. Strengthening environmental education is one goal of the company’s Environment and Sustainability initiatives in 2013.

Prudential executives have been actively involved with organizations advocating greater sustainability in institutional investing. In addition to supporting the Investor Network on Climate Risk’s 2012 Climate and Energy Summit, PIM Chief of Staff Christopher Rowe served as a member of the Investor Working Group in the development of the Ceres Blueprint for Sustainable Investing.

PREI’s David De Vos has been active in the development of the Principles for Responsible Investment’s Property Working Group of the organization’s Reporting and Assessment Survey. In addition, De Vos has contributed to Global Real Estate Sustainability Benchmark’s work.

Prudential continues to support initiatives offering education on environmental issues. In 2012, the company sponsored the International Conservation Caucus Foundation, the Garden State Green Fest and the Business and Civic Leadership Center.
SPOTLIGHT: The Dollars and Sense of Recycling

Prudential strongly encourages and provides facilities for its employees to recycle a broad range of materials, from paper to batteries. Corporate Facilities and Services staff has recycled construction materials, where appropriate. Keeping useful and potentially toxic materials out of landfills is the primary objective. But Prudential also earns a little money – nearly $13,000 in 2012 – from its U.S. recycling program.

According to Michael Perrette, Vice President, Corporate Facilities and Services, the funds are being used to underwrite some of the company’s stewardship initiatives, including providing financial support to Prudential’s employee green teams. Located in Hartford, Conn., and Plymouth, Minn., the teams raise environmental awareness among employees through a variety of initiatives. In the summer of 2012, the Minnesota team undertook a re-greening effort at outdoor spaces at the company’s regional service center.

“We had a lot of enthusiastic participation from the volunteers ... The plantings ... [and] newsletters ... opened the door for conversations with other employees ...”

Becky Rathbun
Green Team Lead, Plymouth, Minn.

“...opened the door for conversations with other employees about the importance of a personal commitment to greener choices at work and at home.”

Members of the Prudential Hartford, Conn., “Green Team” spent a day planting trees in Wexford Park.
Social: A Promise to Our People and Our Communities

OUR PEOPLE

Talent Culture
Talent and leadership excellence are crucial to Prudential’s ability to create value. The company’s success depends on its ability to provide innovative solutions to its customers, its skill at identifying and leveraging growth opportunities and its reputation as a trusted partner. The collective capability of Prudential people makes this possible.

In 2012, Prudential continued to strengthen the company’s talent culture through integrated initiatives concentrating on:

1. Developing the leadership capabilities of all employees,
2. Strengthening diversity and inclusion in the workplace,
3. Enhancing succession planning, and
4. Deepening the company’s talent pipeline through early identification and development programs.

Employee Engagement
Research confirms that engaged employees are more productive, drive customer loyalty, have higher retention, are more prone to be involved in corporate-giving programs, and have greater work/life effectiveness.

One of the key methods by which Prudential measures engagement is annual surveys administered to domestic and international employees. Indicators assess a range of opinions relative to the company’s culture.

In 2012, all key indicators of employee engagement on Prudential’s U.S. Employee Opinion Survey were stable or increased in comparison with 2011. Pride in working for the company rose to 88 percent, which is higher than the top quartile benchmarks of the Mayflower companies against which we routinely compare ourselves.

The survey administered outside the United States differs slightly to accommodate cultural norms in the countries in which it is administered. Excluding a recent significant acquisition that is still being integrated, in 2012 the overall satisfaction was 74 percent, which exceeds the aggregated Mayflower norm.

Domestically and internationally, work teams throughout the company review their survey outcomes and assess progress on programs and initiatives. They use this information to generate ideas and direct efforts to improve employee engagement, teamwork, leadership, work processes, organizational culture, work environment, and customer focus.

“Our focus on talent and promoting diversity and inclusion is another key aspect of our culture and our strength as a company.

Prudential’s people— their skills, character and integrity—are what really set us apart in the marketplace. They determine how we operate, execute and innovate.”

John Strangfeld
Chairman and Chief Executive Officer
Diversity and Inclusion
Prudential considers Diversity and Inclusion integral to the strength of the company’s talent, culture, business performance and identity. The company has had an active diversity program in place since the late 1990s, focused primarily on representation and the environment for domestic employees.

In 2012, Prudential’s strategy was refreshed to consider the implications for customers, suppliers, the community and other stakeholders around the world, in the context of business goals. Also in 2012, the company named a new Chief Diversity Officer – Michele Green.

The company aspires to excellence in each of these pillars and has established tactical action plans and critical outputs that will ensure progress in each area.

Enterprise efforts are complemented by similar work at the business and functional level to address business-specific issues and priorities.

Prudential’s Diversity and Inclusion Strategy

The strategy has three foundational pillars:

1. **People**, which aligns all the company’s efforts to make leadership and talent management a source of strategic differentiation;

2. **Market**, which addresses how Prudential connects with diverse customer segments in advertising, through targeted multicultural marketing and by developing niche products.

3. **Community**, which supports diverse segments of the community including third-party relationships with service providers, suppliers and Prudential’s neighbors.

“Analysis of the publicly traded companies in the DiversityInc Top 50 by Samuel A. Ramirez & Company, Inc., showed they outperformed (total annualized return) the S&P 500 by 29% over one year and 80% over 10 years, and outperformed the Dow Jones Industrial Average by 20% over one year and 50% over 10 years.”

*Ask DiversityInc: What Are the Benefits of Being in the DiversityInc Top 50?*

Prudential has been a member of the DiversityInc Top 50 since the list’s inception.
People Pillar
The People Pillar is linked to Prudential’s efforts to make leadership and talent management a source of strategic differentiation for the company. A culture of high performance demands that Prudential people have a broad range of skills and perspectives in critical roles and in the pipeline to those critical roles.

To that end, the company’s efforts are focused on both diversity and inclusion. Diversity acknowledges and celebrates the attributes that make individuals unique, such as gender, race, ethnicity and sexual orientation. Inclusion means creating a culture of support and collaboration for individuals of all backgrounds, where every employee feels that they have the opportunity to bring their authentic selves to the workplace.

Prudential sponsors six company employee networks known as Business Resource Groups (BRGs) that promote professional development. In addition to supporting Prudential’s talent culture, the BRGs deepen Prudential’s relationships with existing and emerging customer bases, and directly support achievement of business objectives. The company has focused on more actively tapping into the expertise of BRG members to help support initiatives in multicultural marketing, recruitment, research support, diversity and inclusion education, and community outreach. Highlights of BRG activities from 2012 include:

- **Abled and Disabled Associates Partnering Together (ADAPT)** – supported Prudential’s hosting of the national 2012 Disability Matters Conference, which was sponsored by the company’s Office of Diversity and Inclusion. Member volunteers helped plan and manage logistics, transportation, food service, and security to guarantee appropriate arrangements. Prudential was acknowledged for “raising the bar” at the conference by providing a safe, comfortable, and engaging environment.

- **Employee Association of Gay Men, Lesbians, Bisexuals, Transgenders and Allies (EAGLES)** – partnered in the launch of Prudential’s inaugural study “The LGBT Financial Experience,” an in-depth look at the financial landscape of lesbian, gay, bisexual and transgendered Americans.

Outside the United States, diversity and inclusion efforts strengthen the representation and roles of women and individuals with physical or mental challenges in Prudential’s businesses. Highlights of initiatives include:

**Japan:** Prudential's companies in Japan have implemented a range of programs including senior-level responsibility for diversity activity plans, diversity discussions with managers, diversity awareness teams, diversity and work/life balance training and networking for women employees.

**Korea:** The president of Prudential’s life insurance company in Korea – B.O. Sohn – is the first woman to lead a financial services company in Korea. She has created opportunities for her women colleagues to network and share ideas on building career success. B.O. is also a founding leader of Korea’s Women in Innovation, a partnership between the country’s Ministry of Gender Equality and Family and private businesses. The organization targets developing next-generation women leaders through educational and networking programs.

Senior leader commitment and advocacy are foundational elements to achieving Prudential’s vision of diversity and inclusion. Leaders and managers are accountable for creating the right environment and for making key decisions that will advance the strategy. Prudential’s Chief Executive Officer, John Strangfeld, strongly supports Prudential’s affirmative action programs, which are designed to provide equal employment opportunity for all qualified individuals.
Market Pillar
Understanding diverse markets allows Prudential to develop products and services that meet the needs of multicultural customers.

In 2012 Prudential continued a program of exploring financial services for diverse market segments, highlighting specific needs of often overlooked and underserved consumers. The company published its seventh biennial study on the financial behavior of women. Prudential also launched new research that examined the financial experience of lesbian, gay, bisexual and transgender (LGBT) Americans.

The latest women's study highlighted the growing number of women who have taken on the role of primary breadwinners in their family. Although they may have a larger role in family financial decision making, less than one quarter of the women surveyed feel very well-prepared to make financial decisions.

The LGBT study pointed out the different financial considerations, outlooks and characteristics of respondents. In particular, study participants noted that financial institutions do not have the expertise to address the complex financial concerns of same-sex couples and LGBT parents.

The studies indicated that women and the LGBT community feel underprepared for retirement – and they feel more confident about their finances when they receive financial planning assistance from a qualified and aware professional.

In early 2013, Prudential released an updated study, The African American Financial Experience. Details of the study’s findings, along with information about organizations and initiatives that Prudential supports to help African Americans achieve financial security, are available on the company’s website.

Community Pillar
Prudential’s relationships with its neighbors are guided by the company’s Community Resources Department, which is highlighted in a later section. Several other divisions also create shared business value with diverse partners.

Diversifying the supply chain
Prudential recognizes that purchasing products and services from businesses that reflect the demographics of its markets contributes to the sustainability of communities, customers – and the company. Prudential is committed to providing meaningful opportunities for qualified diverse suppliers and service providers to compete for business.

For example, in 2012 Prudential centralized its promotional items contracts through a competitive bidding process involving more than 50 companies. A substantial percentage of participants were diverse firms. Ultimately, the sourcing resulted in significant annual savings. And one of the two contracted suppliers was a Women-owned Business Enterprise (WBE) that earned this position by successfully demonstrating its capabilities throughout the process.

During 2012, the company expanded the scope of businesses included in Prudential’s supplier diversity initiative to include LGBT-owned and People With Disability-owned (PWD) firms, as well as Minority-owned Business Enterprises (MBEs), WBES, and Veteran-owned and Service-Disabled Veteran-owned Business Enterprises (V/SDVBEs). The company also seeks opportunities for small and local firms based in its global headquarters city of Newark, N.J.

Prudential’s signature series and research are available online at Prudential Newsroom. Click each cover to link to the reports.
New Banking and Capital Market Relationships
In 2012, Prudential adopted a plan to strengthen its relationships with diversely owned banks and financial services firms. The program aligns the new strategies for Diversity and Inclusion with Prudential’s banking strategies.

The core of the program is the creation of strong, engaged relationships with African-American, Women, Hispanic and Veteran-owned banks. Within these affiliations, Prudential’s bankers develop opportunities in two areas:

• Traditional banking services, for example, treasury and liquidity products and services
• Capital Markets transactions with meaningful participation in Prudential’s debt issuances and share repurchase program

As relationships develop, other opportunities for collaboration may emerge.

Including Legal Service Providers
In 2012, Prudential and other Inclusion Initiative members once again exceeded their objectives. With an initial annual aggregate goal to spend $139 million on minority- and women-owned firms among 25 participating members, the Inclusion Initiative reported that by year-end 2012 that target had been exceeded with active expenditures totaling $198 million.

Legal Inclusion Initiative
In 2012, Inclusion Initiative members exceeded their aggregate goal for fees paid to minority- and women-owned law firms by nearly $60 million. Prudential is one of the founding members of the Initiative.

The Initiative is a four-year-old collaboration among major corporations. In 2009, Prudential and DuPont approached the National Association of Minority and Women Owned Law Firms to collaborate on an initiative to increase spending by large companies with women- and minority-owned law firms. During its first year, 11 founding members of the Initiative set – and exceeded – a $30 million goal by spending $42.6 million with diverse law firms.

As a founding member of the Initiative, Prudential’s commitment to increase purchased services with diverse law firms has been tracked since 2006, with the total increasing 10 times from 2006 to 2012. The program is one example of Prudential’s wide-ranging efforts to increase the participation of women and minorities in the legal profession. Company attorneys are active in a number of projects and partnerships to build diversity in the profession.
Doing well and doing good

Prudential's long history includes special relationships with the U.S. Military, Veterans and their families. The company's sixth president – Franklin D'Olier – was a founder and first national commandant of the American Legion. Company archives document the active involvement of Prudential and its employees in war efforts beginning in World War I. And for nearly 50 years, Prudential has helped meet the life insurance needs of active and Veteran members of the U.S. Armed Forces.

The company's history and current engagement with Veterans organizations underlined the alarming statistics surrounding the employment and well-being of returning Veterans. In response, Prudential created a broad range of initiatives to support U.S. Military Veterans in their transition back into the workforce and their communities.

Prudential's focus on Veterans includes attracting and hiring Veteran talent as part of an overall talent acquisition strategy. As the lead sponsor of VETalent, Prudential partners with the nonprofit Workforce Opportunity Services and major universities to prepare transitioning enlisted Veterans for new careers. Successful completion of the VETalent program results in a certification from a major university and an opportunity for full-time employment with sponsoring companies.

By the end of 2012, Prudential had hired 24 Veterans from the VETalent program in information technology, operations and customer service positions across the company. An additional 24 Veterans from three other VETalent classes assumed consulting positions at Prudential, and 22 others were placed in consulting positions at companies such as Sealed Air, Johnson & Johnson, Horizon Blue Cross/Blue Shield of New Jersey, and Merck.

In addition, Prudential sponsors a Military Officer Leadership Development Program with the intent of attracting high-potential junior Military Officers upon their separation from active military service. The accelerated program recognizes the leadership, project management and communication skills developed through military experience.

Prudential's initiative also targets improving outcomes for Veterans and their families through philanthropic programs. In 2011, Prudential committed $6.2 million in nonprofit funding over two years. In 2012, 10 supported organizations helped more than 450 Veterans obtain employment. One such program grew the number of students enrolled in a major university's Military Social Work Program to 250 students. Another responded to nearly 12,000 calls from friends and families grieving the loss of a service member, as well.

Prudential executives serve on a number of nationally recognized Veterans' working groups committed to helping Veterans and military spouses obtain employment. Prudential employees also support Veterans, Veterans groups, military members and their families through volunteer projects in communities where they work and live.
Training and Development

Providing opportunities for employees to develop and grow is a key element of Prudential’s talent strategy. Effective development feeds the pipeline of future leaders and increases employee engagement. Formal training, on-the-job activities, coaching, stretch assignments, networking and community involvement enable associates to strengthen performance in their current assignments and develop skills that prepare them for their next role within the company.

In 2011 and 2012 Prudential introduced two new leadership programs, Leading the Global Enterprise and Leading for Shareholder Value. These programs build business acumen through simulation while exposing rising leaders to senior executives. The programs also foster skill development and intra-company networks, supporting succession planning and greater integration in business initiatives.

The company also conducts international management development and rotational programs. High-potential employees of Prudential’s International Insurance Division come to the United States to improve their functional understanding of the company and to improve their language skills. Participants offer their U.S. colleagues a view into the businesses overseas, and an expanded understanding of the different cultures in which Prudential operates.

Executive Vice President and U.S. Businesses Chief Operating Officer, Charles Lowrey, leads a discussion with participants from Prudential’s International Management Development Program.
Health, Wellness and Work/Life
Supporting employees and their families in achieving good health is an investment Prudential makes in its employees’ and the company’s future. In the United States, the health and well-being of Prudential’s employees is advanced at eight on-site clinics and with a range of fitness, nutrition and supportive work/life services. Employees’ dependents also have access to many of these free programs.

Prudential’s wellness programs aim to reduce employee health risks and are paying off. By year-end 2012, 85 percent of Prudential employees were in the low-risk category, up from 76 percent in 2009.

In 2012, Prudential strengthened its efforts to eliminate tobacco use among U.S. employees. Already in place was a longstanding non-smoking policy in company offices and a menu of free smoking cessation programs. In addition, Prudential implemented increased restrictions at the entrances to company-owned worksites and instituted a tobacco-use surcharge to employee medical benefits.

Accompanied by targeted yearlong communications about the hazards of tobacco use and available cessation programming, Prudential employees increased their use of company-sponsored programs and indicated an overall reduction in smoking in their annual health risk assessments.

“Employers can benefit from workplace health programs through enhanced productivity, decreased employee absenteeism, and lower insurance and workers compensation costs. Additionally, workplace health programs are increasingly seen as a core component of an attractive employee compensation and benefits package which can be used as a recruitment and retention tool to attract and keep high-quality employees and maintain productivity and morale.”

Centers for Disease Control

HEALTH AND COMMUNITY

Members of Prudential’s health staff regularly participate in addressing public health issues in Newark, N.J., where the company is headquartered. In 2012, Prudential’s Chief Medical Officer was active with the Greater Newark Healthcare Coalition, a group collaborating to significantly improve quality and access to health care for people residing in the greater Newark area of Essex County.

During 2012, the group planned the first Essex County Public Health Symposium, which was held early in 2013. Bringing together the county’s health officers and hospital leaders, participants analyzed public health trends and identified health priorities within Essex County communities. As a result, hospitals have been able to incorporate public health priorities into their community needs assessments and action plans. The Coalition will convene to discuss progress at year’s end.
**OUR COMMUNITIES**

Prudential has a long history of helping communities develop innovative solutions to complex challenges. In fact, the company’s first products were developed to address the financial needs of the working poor. As the company expanded its offerings and broadened its reach, that commitment deepened and the company created a platform to formally engage in addressing community issues.

Today, the company’s Community Resources department creates and supports Prudential’s corporate social responsibility initiatives to produce significant and lasting impact through grants, social investments, corporate contributions and by engaging employees in their communities. In 2012, the company contributed $27 million in grants, committed more than $70 million in social investments and provided 120,000 employee volunteer hours to nonprofit organizations and businesses to support the revitalization of disadvantaged communities.

Prudential’s commitment to community reaches beyond the numbers into the lives of people who are touched by the initiatives that the company supports.

To bring this to life, examples of this commitment are included on pages 30-31. These examples illustrate the commitment to long-term sustained work that impacts community. The first represents the local focus on Prudential’s home, Newark, N.J. The second illustrates reaching across the globe, supporting communities’ return to health following disasters. Further information can be found in the Community Resources Annual Report.


“Social conditions ranging from the rule of law, to infrastructure or the presence of supportive industries and academic institutions are all assets that allow businesses to thrive if they exist, or cause them to struggle if they are absent. Investing to build these assets helps unleash a company’s growth and productivity potential.”

www.fsg.org
Prudential’s Commitment to Newark

Prudential’s community involvement has a global reach, but the company maintains a special focus on its headquarters city of Newark, N.J. Financial resources, human capital and active engagement with neighbors allow Prudential to help address the city’s critical needs.

Since the company’s founding in 1875, Prudential investments of more than $300 million and tens of thousands of employee volunteer hours have strengthened the local economy and improved institutions across the city.

In 2012, Prudential strengthened its commitment to the redevelopment of Newark by announcing the construction of a new office tower in the city on two parcels downtown. Intended to house 2,000 employees, the building will incorporate significant environmental features, in order to achieve a LEED Gold certification.

Along with building the office tower, Prudential is investing broadly throughout the city to support the redevelopment of the downtown district and neighborhoods throughout the city. Prudential has 36 active social investments in Newark in addition to nearly 90 grants from The Prudential Foundation. Examples include:

Commercial development
- Courtyard by Marriott – The first hotel to be built in downtown Newark in decades.
- City National Bank – The eighth-largest African-American owned and operated bank in the country, providing access to financial services and products to historically underserved customers as well as the broader community.

Development of public spaces
- Military Park – A six-acre green space in downtown Newark that will be transformed using the same model and same team that revitalized Bryant Park in New York City.
- Riverfront Park – The first phase of park development along Newark’s Passaic River waterfront, creating additional green space in Newark.

Housing
- Teachers Village – A mixed-use educational, residential and retail development project in downtown Newark, transforming five blighted city blocks into a pedestrian community of diverse local and national retailers, low-rise modern apartment buildings, and state-of-the-art educational space.
- Condos at Lincoln Park – Eighteen new condominium units in Newark’s Central Ward, which will be affordably priced and built to LEED Gold standards.
Relief and Recovery From Disasters

Beyond the company’s headquarters city, Prudential’s commitment to community targets creating long-term impact in communities across the globe.

While its commitments address many needs, Prudential’s approach to disaster relief provides an illustration of the company’s long-term view. With resources ranging from grants, social investments, company funds and employee volunteerism, Prudential’s disaster response stretches beyond immediate relief and supports long-term redevelopment efforts, with a goal of eventual community recovery.

An example of Prudential’s long-term commitment can be seen in the efforts following the March 2011 earthquake that struck off the coast of Japan, triggering a tsunami which brought mass destruction, particularly in the Tohoku region. The destruction left over 19,000 people dead or missing and displaced more than 300,000 residents.

Immediately following the disaster, Prudential committed $6.1 million (at that time ¥500 million) to aid in relief, recovery and redevelopment of the Tohoku area. After responding to the needs of communities and Prudential employees for immediate disaster assistance, the company’s efforts turned to stimulating recovery of the affected areas.

The revival of the small business community continues to be a challenge and lags other recovery efforts. The tsunami affected 1,749 small and medium enterprises in Ishinomaki, the largest city in the Tohoku region, resulting in the loss of ¥472 billion in net revenues and 18,000 jobs in that city alone.

In February 2012, Prudential approved a $2 million, two-year grant to Architecture for Humanity to establish a small business support center. The center, MakiBiz, opened its doors on November 23, 2012.

MakiBiz’s mission is to bring together residents to collaborate on a new model of post-tsunami recovery that can be used throughout the Tohoku region. MakiBiz provides expert advice on design, construction and business development services. It offers training and technical assistance to small businesses, including access to construction capital and design and construction services.

Prudential businesses and their employees in Japan were actively engaged in the development of the center and its services.
PUBLIC ADVOCACY

Being active in legislative and regulatory processes is vital to Prudential’s sustainability. The company’s efforts assist in the development of thoughtful, effective regulation that supports the company’s continued financial strength and the interests of the company’s customers, shareholders and other stakeholders.

Prudential’s approach has three characteristics:

- A balanced, bipartisan perspective
- Accurate information
- Transparency

Activities include direct lobbying, working with state and federal trade associations and coalitions, and sponsoring political action committees (PACs). Prudential policy prohibits contributing corporate funds to candidate committees.

Prudential routinely speaks with legislators and regulators about the impact of certain legislative and tax-generating proposals affecting retirement and income security, and the ways in which industry and the government can partner to improve Americans’ ability to retire with income security.

During 2012, Prudential also actively engaged with regulators and other policymakers in a balanced dialogue regarding the regulation of insurance companies and the criteria for appropriate capital and solvency regimes for insurance companies and why these regimes are different than the requirements for banks.

Report on Activities

Prudential produces an annual report on the company’s policies and procedures for political activity, as well as the direct disbursements of company-sponsored PACs. The report includes annual dues, assessments and contributions of $50,000 or more paid by Prudential to trade associations, as well as the portion of the dues and assessments attributable to the lobbying activities of those organizations.

Inquiries about Prudential’s activities or its PACs may be addressed to prudential.pac@prudential.com.
Governance  A Promise of Responsible and Responsive Leadership
**Governance: A Promise of Responsible and Responsive Leadership**

**BOARD LEADERSHIP**

Upon recommendation of the Board of Directors, at the 2012 Annual Meeting Prudential’s shareholders voted to eliminate supermajority voting requirements.* This marked the final step in moving forward a shareholder resolution offered in 2011, which was also supported by the Board. Prior to the vote, amending Prudential’s by-laws and Certificate of Incorporation required an affirmative vote by 80 percent of the shareholders. The company’s 2012 Annual Proxy Statement noted that “… the Board, upon the recommendation of its corporate Governance and Business Ethics Committee, has determined that removing the supermajority voting requirements… is in the best interests of the company and its shareholders.”

**Strengthening Communication With Shareholders**

Prudential’s Board continues its long history of support for strong corporate governance, rooted in respect for the role of shareholders. Eliminating the requirement for a supermajority vote was a natural evolution of that support. Other initiatives have concentrated on improving communication, increasing transparency and strengthening mutual trust. These include:

- Making the proxy statement more reader-friendly through use of plain language, clear summaries, plus easy-to-read charts, graphs and highlight boxes;
- Integrating information about Prudential's sustainability practices in financial documents like the Annual Proxy Statement;
- Meeting with investors and their advisors;
- Providing information about Prudential’s Governance practices and policies on one website that offers easy access and links to other pertinent information;
- Asking for feedback from shareholders in every communication with them and providing access to senior leaders and the Board through email portals. Independent Directors may be reached at independentdirectors@prudential.com.

During the past three years, the Board received – and responded to – more than 8,000 comments from shareholders.

“Engagement and paying close attention to shareholder perspectives of the company foster long-term relationships that are important components of sustainability.”

Peggy Foran  
Chief Governance Officer, Vice President and Corporate Secretary

*Amendments to the Certificates of Incorporation and changes to Prudential’s By-Laws were implemented effective May 9, 2012.*
Exceeding Expectations
In collaboration with senior management, the Board has continuously refined its oversight to meet or exceed changing expectations of public companies and their governing boards. Governance Principles and Committee Charters guide its independent oversight. Specific information about the Board’s practices is outlined in the chart included in this section.

Along with shareholder engagement, the Board also oversees:
- Business strategies;
- Management of risk;
- Talent management and succession planning; and
- Executive compensation programs tied to performance of the company’s core businesses and long-term shareholder interests.

Executive Compensation
Prudential was one of the first companies to adopt an annual advisory “say on pay” vote by shareholders. In keeping with shareholder and stakeholder feedback on developing trends in executive pay, the Board’s compensation Committee increased the rigor of performance goals and payout scales under the company’s incentive programs. More information is available in Prudential’s 2013 Proxy Statement.

Company Ownership
As of 12/31/12

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Company Ownership
As of 12/31/12

<table>
<thead>
<tr>
<th>Shares outstanding</th>
<th>463,031,482</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered holders</td>
<td>1,751,368</td>
</tr>
<tr>
<td>Owned by banks/brokers/retail operations</td>
<td>13%</td>
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<tr>
<td>Owned by registered holders</td>
<td>24%</td>
</tr>
<tr>
<td>Owned by institutions</td>
<td>63%</td>
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</table>

LEADERSHIP BEST PRACTICES
Prudential engages with outside organizations to support the development of governance best practices and to learn about emerging trends in the field. Some of these organizations include:

- Council of Institutional Investors
- Tomorrow's Company
- International Corporate Governance Network
- The Millstein Center at Columbia University Law School
- Harvard University's Governance Forum
- Aspen Institute's Corporate Values Strategy Group
- The John L. Weinberg Center for Corporate Governance at the University of Delaware
- Institutional Investor Forum at Stanford
- The Conference Board
Board of Directors Governance Practices 2012

**Director Independence**
- Number of independent Directors out of 13 total directors: 11
- Separate Chairman and CEO: No
- Independent Lead Director elected by independent Directors: Yes
- Mandatory Retirement Age: 74

**Director Diversity**
- Two Directors have worked outside the United States
- Two Directors are African-American
- One Director is Asian-American
- One Director is Hispanic
- Three Directors are women

**Director Elections**
- Annual Board of Director elections: Yes
- Directors elected by majority of votes cast in uncontested election: Yes

**Board Meetings**
- Number of Board meetings held in 2012: 11
- Average Director attendance at board and committee meetings (percentage): 97
- Independent Directors hold meetings without management present: Yes

**Board Committees**
- Independent Audit Committee: Yes
- Audit Committee Financial Experts as defined by the SEC: 3
- Independent Compensation Committee: Yes
- Independent Corporate Governance and Business Ethics Committee: Yes
- Independent Finance Committee: Yes
- Independent Investment Committee: Yes

**Published Corporate Governance Principles and Practices**
- Corporate Governance Principles approved by the Board: Yes
- Charters for Board Committees: Yes
- Charter for Lead Independent Director: Yes

**Evaluating and Improving Board Effectiveness**
- Annual Board self-evaluation: Yes
- Annual review of Board independence: Yes
- Key Committee self-evaluation: Yes
- Board orientation/continuing education program: Yes

**Aligning Director and Shareholder Interests**
- Conflict of Interest Policy: Yes
- Executive and Director stock ownership guidelines: Yes
- Annual equity grant to non-employee Directors: Yes
- Annual advisory “Say on Pay” vote on executive compensation: Yes
- Poison Pill: No
- Management Succession Planning: Yes
- Independent Compensation Consultant retained directly by the Compensation Committee: Yes
- Executive Compensation policies and practices tied to long-term shareholder value: Yes
- Executive Compensation Clawback Policy: Yes
- Shareholder Threshold to call special meeting (percentage): 10

**Communicating with the Board**
- independentdirectors@prudential.com

**Notes:**
2. The Lead Director reviews and approves Director meeting materials and agendas, and is available to meet with shareholders as appropriate.
3. In 2010, Prudential included a clawback provision in our new Book Value Performance Program. We intend to adopt a general clawback policy covering annual and long-term incentive award plans and arrangements once the SEC adopts the final rules implanting the clawback policy provisions of the Dodd-Frank Act.
4. A change from 25 percent to 10 percent was approved by the Board of Directors in February 2013.
Governance: A Promise of Responsible and Responsive Leadership

SPOTLIGHT: Partnering With Shareholders

In 2010, Prudential broadened its environmental engagements to draw in new partners and target a foundational element of resilience: forests. Forest ecosystems offer watershed protection, improve water quality, regulate regional climates, purify air and store carbon. They provide habitat to more than half of all terrestrial species. They offer an incomparable venue for recreation for millions of people. And, in the case of our National Forests, they provide an economic boost to the surrounding communities.

The 2010 project started with collaboration among Prudential, American Forests and the company’s registered shareholders. The goal: to strengthen U.S. national forests. Beginning with Prudential’s 2010 Annual Meeting of Shareholders – and continuing each year since then – any registered shareholder who voted in the election was able to choose either to have a tree planted in an American Forest reforestation project or to receive a reusable shopping bag. Thanks to them, as of early 2013, nearly 450,000 trees have been placed in national forests devastated by fires or insect infestation.

For many years, Prudential’s Board and executive team have actively engaged with shareholders to improve communication, increase transparency, strengthen mutual trust and encourage dialogue on issues of shared concern. Voting in annual elections is another way that shareholders can communicate with the company.

The company’s reforestation initiative has helped increase participation in Prudential’s annual elections. In 2012, quorum at Prudential’s Annual Meeting of Shareholders exceeded 70 percent for the first time since Prudential became a public company.

Supporting reforestation has aligned well with Prudential’s use of the company’s sustainable design, printing and distribution model for printed materials. The table below highlights accomplishments of that initiative over a period of four years in two important communications with shareholders – the Annual Report and Proxy.

### REDUCING THE FOOTPRINT OF PRUDENTIAL’S ANNUAL REPORTS AND PROXIES 2012

<table>
<thead>
<tr>
<th>Metric</th>
<th>Reduction</th>
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<tbody>
<tr>
<td>Reduction in the total number of books mailed</td>
<td>17,470,000</td>
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<tr>
<td>(2008 – 2012)</td>
<td></td>
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<tr>
<td>Total number of pages reduced (2008 – 2012)</td>
<td>942,230,000</td>
</tr>
<tr>
<td>Pounds of paper reduced</td>
<td>422,000</td>
</tr>
<tr>
<td>Trees saved</td>
<td>4,441</td>
</tr>
<tr>
<td>Reduction in BTUs of energy used</td>
<td>6,200,000</td>
</tr>
<tr>
<td>Reduction in gallons of water used</td>
<td>4,491,000</td>
</tr>
<tr>
<td>Pounds of carbon dioxide reduced through offsets</td>
<td>1,199,000</td>
</tr>
<tr>
<td>Pounds of waste not entering landfills</td>
<td>404,000</td>
</tr>
</tbody>
</table>
ETHICS AND COMPLIANCE

In 2012, Prudential released a new and enhanced anti-bribery/anti-corruption policy. The document outlines the company’s expectations of its employees across the world and reflects changing laws and regulations in many of the countries in which Prudential operates.

The revised policy featured two significant changes:

• It eliminates the permissibility of facilitating payments, even if allowed by the U.S. Foreign Corrupt Practices Act related to routine business;
• In alignment with United Kingdom anti-bribery regulations, it clarifies that commercial bribery is forbidden.

“The consequences of prosecution for bribery are severe. Internal investigations alone can cost millions of dollars, and businesses can incur multi-million-dollar penalties for violations,” stated Lee Augsburger, Senior Vice President and Chief Ethics and Compliance Officer. “And the long-term cost of damage to our reputation and loss of trust by our customers would be incalculable.”

Making the Right Choices

Robust policies and procedures align Prudential’s business practices with relevant laws and regulation. But compliance at the company begins with supporting an ethical culture in every business Prudential operates around the world.

The culture has several key building blocks. Prudential’s global code of conduct, Making the Right Choices, outlines essential principles of behavior and accountability expected of each employee. Employees are introduced to the code of conduct and culture in new employee orientation, where web-based training finishes with a commitment to the Code of Conduct.

Throughout the year, employees also receive tools and educational materials. These are reinforced by messaging from business leaders, culminating in “Ethics Awareness Month.” In addition, annual performance reviews include assessment of an employee’s performance against Prudential’s first Leadership Competency: “Demonstrates a strong moral compass.”

Assessing Prudential’s Ethical Culture

Prudential’s annual employee opinion surveys evaluate the strength of the company’s global ethical culture. Questions include employee views on ethics, business climate and management support for an ethical environment. In 2012, employee feedback indicated that Prudential’s ethical foundations remain strong.

Prudential’s Enterprise Ethics Office guides and integrates ethics into the company’s operations across the world. Business ethics officers, located in businesses and functional areas, are available to employees for advice on ethical issues and for reporting potential violations of standards or policies.

The company also operates 24/7 global reporting mechanisms, including a telephone hotline. Employees who voice concerns are protected by Prudential’s policy against retaliation.

Ultimately, a committee of Prudential’s Board of Directors – the Corporate Governance and Business Ethics Committee – oversees the company’s ethical culture and policies with an expressed commitment to high standards of integrity.

“All Prudential businesses and corporate functions are analyzed annually for risks related to corruption.

“High ethical standards, fair dealing, professionalism, integrity and compliance with legal requirements are expected of all Prudential employees and fundamental to how we operate.”

John Strangfeld
Chairman and Chief Executive Officer
Achieving Compliance
In addition to acting with integrity, it is every employee’s responsibility to know and follow applicable regulations. To achieve compliance with the complex legal requirements that regulate Prudential’s operations, the company has created a strong compliance structure and organization.

In accordance with best practices in the field, the program is led by a senior officer who has direct access to, and who formally and regularly reports to the Board’s Audit Committee and to the Chairman of the Board.

While Prudential’s Law Department identifies and interprets law and regulation applicable to Prudential’s businesses, compliance associates assist business partners in analyzing processes for compliance with relevant regulations. These associates are primarily embedded in and directly support individual business units. Roughly 20 percent of these individuals address cross-enterprise issues like anti-money laundering, anti-corruption, privacy and material non-public information.

All compliance associates have a solid reporting line to Prudential’s Chief Ethics and Compliance Officer. To the extent permitted by local law, the compliance program is modeled on the U.S. Federal Sentencing Guidelines for Organizations and has been extensively reviewed by outside experts.

A comprehensive review of regulatory and litigation risk addressed in 2012 can be found in the Prudential Financial, Inc. 10-K filing with the Securities and Exchange Commission.

Death Benefits Settlement
In 2012 and 2013, Prudential reached regulatory agreements with 49 states relative to the company’s procedures to proactively search for insureds who have died and to initiate claims on their behalf. The agreements included $18 million in payments for costs of examination.

In addition, the company agreed to amend its processes for locating deceased customers to include broader record searches. These agreements complement those reached with 42 State Treasurers and Unclaimed Property Administrators.

Prudential will search its past records to determine if there are deceased insureds where no claim has been made and then look for beneficiaries. Policy proceeds will escheat to the respective state if no beneficiary can be located.

“Ultimately, this is a good-news story,” noted Susan Blount, Executive Vice President and General Counsel. “Enhanced data analysis and strong processes support and protect the interests of our insured clients.”
RISK MANAGEMENT

In 2012, Prudential’s Board of Directors approved the restructuring of the company’s risk management function. Acknowledging the increasingly complex risk environment for multinational financial services firms, the Board ratified separating the roles of Chief Risk Officer and Chief Actuary.

During 2012, Prudential continued to evolve its risk management and governance structures to enhance and maintain excellent risk management by strengthening identification, assessment and mitigation of risk, and by improving operating efficiencies within risk management teams.

Within the new structure, four new Risk Oversight Committees were added to support the company’s existing Enterprise Risk Committee (ERC) – Market, Operating, Insurance and Investment. These create more opportunity for review, discussion and challenge on issues by subject-matter experts. Their deliberations feed into the ERC, which oversees the company’s overall risk environment. The revised process allows the ERC to make better-informed decisions.

As the new structure has developed, the Board’s role in risk management remained consistent: oversight, setting standards for managing risks and monitoring the process for risk management within the company. Senior management remains responsible for setting the proper balance between risk and reward required to sustain Prudential’s long-term vitality across the company’s portfolio of businesses, prudently deploying capital, and implementing growth strategies.

Specific information on the risks to which Prudential is exposed is described in Item 1-A of the company’s 10-K filing for 2012, including risks associated with economic and market conditions; risks specific to Prudential’s insurance, asset management and other products and businesses; as well as credit, legal, regulatory, catastrophe risks and other factors.

“Creation of the Risk Oversight Committees enhances the involvement of subject-matter experts across the enterprise, creating better dialogue and decision making, increased transparency and a stronger governance process.”

Nick Silitch
Senior Vice President and Chief Risk Officer
Major Awards Received 01/01/2012 Through 12/31/2012

CORPORATE

FORTUNE® World’s Most Admired Company
No. 1: Insurance: Life and Health Category

PRODUCTS, SERVICES AND SUBSIDIARIES

J.D. Power Asia Pacific Life Insurance
Contract Customer Satisfaction Study
Highest Ranking in the categories of:
- Life insurance claims medical benefit
- Life insurance contract life support
(The Prudential Life Insurance Company, Ltd., in Japan)

Mexican Center for Philanthropy
Socially Responsible Company
(Prudential Seguros Mexico, SA and
Prudential Real Estate Investors – Mexico)

Global Real Estate Sustainability
Benchmark Foundation
Green Star designation for Prudential
Real Estate Investors
(Latin America) PLA Retail Fund I

Great Place to Work in partnership with the
Brazilian Association for Human Resources
“Top 100 Best Companies to Work for in Brazil”
(Prudential do Brasil Seguros de Vida S.A.)

WORKPLACE INCLUSION

Working Mother
“100 Best Companies”

Latina Style
“50 Best Companies for Latinas in the U.S.”

Human Rights Campaign
100% ranking, Corporate Equality Index

National Association for Female Executives
“Top 50 Companies for Women”

Hispanic Business
“Diversity Elite 60”

Military Times EDGE
“Best for Vets Employers”

GI Jobs
“Great Place to Work for Veterans”

Black Enterprise
“Top 40 Companies for Diversity”

ComputerWorld
“100 Best Places to Work in IT”

DiversityInc.
“Top 50 Companies for Diversity”

ABILITY
“Best Practices Award”

Chief Learning Officer
“Top 20 Learning Elite”

Dave Thomas Foundation for Adoption
“100 Best Adoption-Friendly Workplaces”

Disability Matters
“Disability Matters Awards”

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Disability Matters
“Disability Matters Awards”
<table>
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<tr>
<th>GRI INDICATOR</th>
<th>DESCRIPTION</th>
<th>REPORTING LEVEL</th>
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<th>LINK TO SUPPORTING INFORMATION</th>
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<tr>
<td><strong>STRATEGY AND ANALYSIS</strong></td>
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<td>Primary brands, products and/or services</td>
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<td>2.6</td>
<td>Nature of ownership and legal form</td>
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<td>2.7</td>
<td>Markets served (including geographic breakdown, sectors served, and types of customers)</td>
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<td>Date of most recent (if any)</td>
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<td>3.3</td>
<td>Reporting cycle (annual, biennial, etc.)</td>
<td>Full</td>
<td>12</td>
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<td>Contact point for questions regarding the report or its contents</td>
<td>Full</td>
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<td>3.5</td>
<td>Process for defining report content</td>
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<tr>
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<td>Boundary of the report</td>
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<td>State any specific limitation on the scope or boundary of the report</td>
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<td>Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between the organizations</td>
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<td>GRI INDICATOR</td>
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<td>LINK TO SUPPORTING INFORMATION</td>
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<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>3.9</td>
<td>Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report</td>
<td>Partial</td>
<td>12</td>
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<tr>
<td>3.10</td>
<td>Explanations of the effect of any re-statements on information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)</td>
<td>Full</td>
<td>15</td>
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<td>Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report</td>
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<td>Table identifying the location of the Standard Disclosures in the report</td>
<td>Full</td>
<td>42-46</td>
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**GOVERNANCE, COMMITMENTS AND ENGAGEMENT**

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<tbody>
<tr>
<td>4.1</td>
<td>Governance structure of the organization</td>
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<td>Indicate whether the Chair of the highest governance body is also an executive officer</td>
<td>Full</td>
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<td>4.3</td>
<td>Number of independent Board members</td>
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<td>4.4</td>
<td>Mechanisms for communication with the Board</td>
<td>Full</td>
<td>36</td>
<td>[click here]</td>
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<td>4.6</td>
<td>Processes in place for the highest governance body to ensure conflicts of interest are avoided</td>
<td>Full</td>
<td>36</td>
<td>[click here]</td>
</tr>
<tr>
<td>4.7</td>
<td>Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization’s strategy on economic, environmental, and social topics</td>
<td>Full</td>
<td>36</td>
<td>[click here]</td>
</tr>
<tr>
<td>4.8</td>
<td>Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation</td>
<td>Partial</td>
<td>14, 38</td>
<td>[click here] [click here]</td>
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<tr>
<td>4.10</td>
<td>Processes for evaluating the highest governance body’s own performance, particularly with respect to economic, environmental, and social performance</td>
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<td>36</td>
<td>[click here]</td>
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<tr>
<td>4.13</td>
<td>Membership in associations (such as industry associations) and/or national/international advocacy organizations in which the organizers: Have positions in governance bodies; Participate in projects or committees; Provide substantive funding beyond routine membership dues; or View membership as strategic</td>
<td>Partial</td>
<td>18, 32, 35</td>
<td>[click here]</td>
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<tr>
<td>GRI INDICATOR</td>
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<td>4.14</td>
<td>List of stakeholder groups engaged by the organization</td>
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<td>4.15</td>
<td>Basis for identification and selection of stakeholders with whom to engage</td>
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<td>4.16</td>
<td>Approaches to stakeholder engagement</td>
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<td>10, 11</td>
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<td>Key topics raised through stakeholder engagement</td>
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<td></td>
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</tbody>
</table>

**PRODUCT RESPONSIBILITY**

<table>
<thead>
<tr>
<th>GRI INDICATOR</th>
<th>DESCRIPTION</th>
<th>REPORTING LEVEL</th>
<th>PAGE</th>
<th>LINK TO SUPPORTING INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>PR9</td>
<td>Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services</td>
<td>Full – No fines or sanctions</td>
<td></td>
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</tr>
</tbody>
</table>

**ECONOMIC**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>EC1</td>
<td>Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments</td>
<td>Full</td>
<td>5</td>
<td>[click here]</td>
</tr>
<tr>
<td>EC2</td>
<td>Financial implications and other risks and opportunities for the organization’s activities due to climate change</td>
<td>Partial</td>
<td>14</td>
<td>[click here]</td>
</tr>
<tr>
<td>EC8</td>
<td>Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind impacts, or pro bono engagement</td>
<td>Partial</td>
<td>29</td>
<td>[click here]</td>
</tr>
</tbody>
</table>

**ENVIRONMENTAL**

<table>
<thead>
<tr>
<th>GRI INDICATOR</th>
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</tr>
</thead>
<tbody>
<tr>
<td>EN3</td>
<td>Direct energy consumption by primary energy source</td>
<td>Full</td>
<td>15</td>
<td>[click here]</td>
</tr>
<tr>
<td>EN4</td>
<td>Indirect energy consumption by primary source</td>
<td>Full</td>
<td>15</td>
<td>[click here]</td>
</tr>
<tr>
<td>EN5</td>
<td>Energy saved due to conservation and efficiency improvements</td>
<td>Full</td>
<td>15</td>
<td>[click here]</td>
</tr>
<tr>
<td>GRI INDICATOR</td>
<td>DESCRIPTION</td>
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<tr>
<td>---------------</td>
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</tr>
<tr>
<td>EN6</td>
<td>Initiatives to provide energy-efficient or renewable-energy-based products and services, and reductions in energy requirements as a result of these initiatives</td>
<td>Partial</td>
<td>16-18</td>
<td>[click here]</td>
</tr>
<tr>
<td>EN7</td>
<td>Initiatives to reduce indirect energy consumption and reductions achieved</td>
<td>Full</td>
<td>15</td>
<td>[click here]</td>
</tr>
<tr>
<td>EN8</td>
<td>Total water withdrawal by source</td>
<td>Full</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>EN16</td>
<td>Total direct and indirect greenhouse gas emissions by weight</td>
<td>Full</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>EN18</td>
<td>Initiatives to reduce greenhouse gas emissions and reductions achieved</td>
<td>Full</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>EN22</td>
<td>Total weight of waste by type and disposal method</td>
<td>Partial</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>EN28</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations</td>
<td>Full – no fines or sanctions</td>
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<td></td>
</tr>
</tbody>
</table>

**LABOR**

<p>| LA1 | Total workforce by employment type, employment contract, and region, broken down by gender | Partial | 23 | [click here] |
| LA8 | Education, training, counseling, prevention and risk-control programs to assist workforce members, their families, or community members regarding serious diseases | Full | 28 | [click here] |
| LA11 | Programs for skills and lifelong learning that support the continued employability of employees and assist them in managing career endings | Full | 27 | [click here] |
| LA13 | Composition of governance bodies and breakdown of employees per employees category according to gender, age group, minority group membership, and other indicators of diversity | Partial | 23, 36 | [click here] |
| FS16 | Initiatives to enhance financial literacy by type of beneficiary | Partial | 24 | [click here] |</p>
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</thead>
<tbody>
<tr>
<td>S02</td>
<td>Percentage and total number of business units analyzed for risks related to corruption</td>
<td>Full</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>S05</td>
<td>Public policy positions and participation in public policy development and lobbying</td>
<td>Partial</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>S06</td>
<td>Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country</td>
<td>Full</td>
<td>32</td>
<td><a href="#">click here</a></td>
</tr>
<tr>
<td>S08</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations</td>
<td>Full – no significant fines or sanctions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
For questions or comments related to the Sustainability Report, please contact:

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Vice President, Environment and Sustainability
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Newark, New Jersey 07102-3777
sustainability@prudential.com
973-802-8342