

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Prudential Financial, Inc. is a multinational financial services firm with U.S. and international businesses. Our executive offices are located in Newark, New Jersey. Prudential has approximately 50,000 employees worldwide and financial advisors working in more than 40 countries.

The company conducts our principal operations in five divisions, which together encompass seven segments, and our Corporate and Other operations. The U.S. Individual Solutions division consists of our Individual Annuities and Individual Life segments. The U.S. Workplace Solutions division consists of our Retirement and Group Insurance segments. The Investment Management division is comprised of our Investment Management segment. The International Insurance division consist of our International Insurance segment, and the Closed Block segment. Our Corporate and Other operations includes corporate items and initiatives that are not allocated to business segments and businesses that have been or will be divested. With operations in the United States, Asia, Europe and Latin America, we provide customers with a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds and investment management. We strive to create long-term value for our stakeholders through strong business fundamentals, consistent with our mission guided by our vision and directed by our company's core values.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2017	December 31 2017	No	<Not Applicable>
Row 2	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 3	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 4	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

- Brazil
- Japan
- Republic of Korea
- Taiwan (Province of China)
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board/Executive board	i. Description of the position(s)/committee(s) in the corporate structure and the level of responsibility they have towards climate-related issues: The Corporate Governance and Business Ethics Committee, of Prudential's Board of Directors, oversees Prudential's management of climate-related issues, specifically environmental and sustainability strategy and progress. ii. Rationale of why responsibilities for climate-related issues have been assigned to this/these position(s)/ committee(s): The Corporate Governance and Business Ethics Committee oversee, on behalf of the Board of Directors of Prudential Financial, our corporate governance procedures and practices. Climate-related issues inherently fall under Prudential's approach to corporate governance. A dedicated Committee allows for the time and focus to be allocated to these issues and ensures ongoing progress against the company goals.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Monitoring and overseeing progress against goals and targets for addressing climate-related issues	The Corporate Governance and Business Ethics Committee, of Prudential's Board of Directors, oversees Prudential's environmental and sustainability strategy and progress.

C1.2

(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Chief Governance Officer)	Both assessing and managing climate-related risks and opportunities	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

Chief Governance Officer / Corporate Secretary:

i. Where in the organizational structure this position(s) and/or committee(s) lie: The individual with full responsibility for climate change initiatives is the Chief Governance Officer / Corporate Secretary. In terms of reporting structure, the Director position reports to the Corporate Secretary, who reports to the General Council, who then reports up to CEO. The Director, Environment and Sustainability reports up to the Corporate Secretary and supports implementation of climate-related initiatives. The position sits in the Governance group, from which the sustainability budget is allocated. An Environmental Task Force, with representatives from Prudential's businesses and Corporate Centers, supports day to day implementation of the strategy and related initiatives.

ii. A rationale of why responsibilities for climate-related issues have been assigned to this/these position(s) or committee(s): While responsibility for implementing climate-related strategies are integrated throughout the company, the Corporate Secretary, supported by the Director position, maintains an overarching view of Prudential's progress to strategize continuous improvement at a company-wide level.

iii. Specific responsibilities of every position and/or committee with regard to assessment and management of climate-related issues: The Director, Environment and Sustainability is Prudential's advocate for sustainability across the company, monitoring external trends and reporting those internally to strategize appropriate action to ensure Prudential's continued alignment with peers and the industry. The position is also responsible for management of Prudential's external sustainability reporting efforts, collaborating with stakeholders to develop, among other materials, our Sustainability report and CDP responses.

iv) Monitoring process: The Corporate Secretary interacts with and receives strategic external input from shareholders as to what their needs and wants are regarding materiality and reporting. The Director then executes on the input with support of the Environmental Task Force.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.

Who is entitled to benefit from these incentives?

Management group

Types of incentives

Recognition (non-monetary)

Activity incentivized

Efficiency target

Comment

Reviewed during annual performance process.

Who is entitled to benefit from these incentives?

Energy manager

Types of incentives

Recognition (non-monetary)

Activity incentivized

Emissions reduction project

Comment

Reviewed during annual performance process.

Who is entitled to benefit from these incentives?

Environment/Sustainability manager

Types of incentives

Recognition (non-monetary)

Activity incentivized

Emissions reduction target

Comment

Reviewed during annual performance process.

Who is entitled to benefit from these incentives?

All employees

Types of incentives

Recognition (non-monetary)

Activity incentivized

Behavior change related indicator

Comment

Prudential organizes Lunch and Learn sessions for all employees on various topics including home solar use and energy savings initiatives. These programs are supported by messaging in the company's internal web-based homepage. In addition, employees who volunteer to work with community environment improvement projects may receive funds to support the non-profit to which they provide assistance. Nearly all domestic locations have Green Teams to foster behavior change and engage employees.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	0	7	Life insurance companies by design make long term commitments to policyholders. Therefore, we are focused on the evolution of risk and resources through long periods of time. Many decisions we make today, about the risks that we take and the strategies that we use to mitigate that risk, have impact over 10, 20, 30 years or longer.
Medium-term	7	20	
Long-term	20	100	

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Annually	>6 years	Risks attendant to climate change are recognized as having an impact on Prudential's own operations and holdings within Prudential's investment portfolio. Although reporting takes place once a year, risks attendant to climate change are considered on an ongoing basis in the company's businesses and corporate functions.

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

i. How climate-related risks are identified and assessed at a company level: Prudential's risk identification and management framework reinforces the company's ability to keep our promises under normal and stressed conditions. Through the framework, the company identifies, measures, evaluates and manages the risks inherent in the business, in accordance with the direction set by senior management and with the approval of Prudential's Board. Prudential establishes and maintains our risk profile taking into account the needs of all internal and external stakeholders, including clients and regulators. The enterprise risk management function complements the processes, systems and financial rigor embedded within the businesses and corporate functions, providing an independent view while considering a wide range of potential scenarios that impact both short-term and long-term outcomes.

ii. How climate-related risks are identified and assessed at an asset level: In terms of facility assets, the company examines geographic concentrations of risk that may affect facilities or businesses in the event of either set of cataclysms. In terms of financial assets, climate-related risks are inherently assessed by our investment professionals in the pursuit of providing our customers with long-term, sustainable financial investment options. For example, PGIM Real Estate continued efforts to reduce resource consumption while delivering attractive risk-adjusted returns for investors. ESG-related issues are considered during due diligence, acquisition, development, investment decision-making and operating phases of ownership.

iii. The process in place for assessing the potential size and scope of identified risks: Prudential's risk management embodies robust stress testing that examines the sensitivity of long term obligations and resources to possible financial, operational, behavioral and biometric risks. Testing serves as the foundation of Prudential's Risk Appetite, where broadly defined tolerances are set and further prescribed by limit structures.

iv. The process by which your organization determines the relative significance of climate-related risks in relation to other risks: Risk prioritization occurs throughout the risk management process. Prudential's risk governance infrastructure embraces the broad inclusion of subject matter experts who are members of Risk Oversight Committees covering market, investment, insurance, operational and model risk at a company level. After robust discussions at those Committees, risk profiles against risk capacity and specific and timely risk issues are summarized in regular reports for the most senior risk management committee, the Enterprise Risk Committee, as well as for the Risk Committee of the Board. As appropriate, topics are reviewed in more detail with other senior management or Board committees.

v. The definitions of risk terminologies used (or references to existing risk classification frameworks utilized by your company): The definitions applicable to our risk terminologies are as described.

vi. How your organization defines substantive financial or strategic impact on your business: Investment Risk, Insurance Risk, Market Risk, Liquidity Risk, Operational Risk, along with Strategic Risk make up the material risks to the Company. Through risk identification and assessment any new or changing risk receives careful review and oversight. We examine our risk profile under current conditions and through a robust stress testing regime. We view the results through GAAP, statutory and economic lenses, and from the perspectives of our various stakeholders. This supports our ability to make good management decisions balancing risk and resources for successful outcomes. The Risk Appetite Statement, which documents both Quantitative and Qualitative Board Authorized Risk Appetite Expressions, Risk-Type limits, and Management limits, are part of the Risk Appetite framework process intended to support the company in keeping our promises to policy holders by maintaining a balance between the Company's risks and resources.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	As described in 2.2b/iv, current regulatory risks are consistently evaluated and may be informed by climate-related issues, as federal, state and local environmental laws and regulations apply to our ownership and operation of real property. For example, inherent in owning and operating Prudential's real property are the risks of hidden environmental liabilities and the costs of any required clean-up. Although unexpected environmental liabilities can always arise, Prudential seeks to minimize this risk by undertaking environmental assessments, among other measures prior to taking title to real estate.
Emerging regulation	Relevant, always included	As described in 2.2b/iv, emerging regulatory risks are consistently evaluated and may be informed by climate-related issues. For example, Prudential is subject to various federal, state, and local laws and regulations relating to the protection of human health and the environment. If an environmental regulatory agency finds any of our facilities to be in violation of environmental laws, penalties and fines may be imposed for each day of violation and the affected facility could be forced to cease operations. An individual business unit risk team is an example of one risk owner that would consider these regulatory risks as they affect the team's daily operations and strategy for managing facilities.
Technology	Relevant, always included	Technology is often tied to the risks described in C2.2b/iv whereby our ability to respond to those risks is informed by our technological abilities. For example, we are subject to business continuation risk, which is the risk that our systems and data may be disrupted. We depend heavily on our telecommunication, information technology and other operational systems and on the integrity and timeliness of data we use to run our businesses and service our customers. These systems may fail to operate properly or become disabled as a result of extreme weather patterns or other climate change related events or circumstances wholly or partly beyond our control. Further, we face the risk of operational and technology failures by others, including clearing agents, exchanges and other financial intermediaries and of vendors and parties to which we outsource the provision of services or business operations.
Legal	Relevant, always included	As described in 2.2b/iv regulatory – and thereby legal - risks are consistently evaluated and may be informed by climate-related issues. For example, Prudential is subject to various federal, state, and local laws and regulations relating to the protection of human health and the environment. If an environmental regulatory agency finds any of our facilities to be in violation of environmental laws, penalties and fines may be imposed for each day of violation and the affected facility could be forced to cease operations. Our individual business unit risk teams are an example of one risk owner that would consider these regulatory risks as they affect the team's daily operations and strategy for managing facilities.
Market	Relevant, always included	As described in 2.2b/iv, financial market risks are consistently evaluated and may be informed by climate-related issues. For example, shifting public opinion on climate change and climate risk could change market demand for climate-related product offerings. Prudential's Environment and Sustainability team is responsible for gathering business intelligence and monitoring megatrends related to the company's environmental risk management and opportunity creation. The team works with a number of subject matter experts embedded in the company's businesses to support their activities and help create direct or indirect business value.
Reputation	Relevant, always included	For Prudential, reputation is often tied to the risks described in C2.2b/iv whereby the importance of responding to those risks is informed by potential reputational impacts. Of primary concern is the inherent risks driven by other climate-related developments, which could include shifting public opinion on climate change and climate risk, changing market demand for climate-related products and growing employee interest in environmental stewardship.
Acute physical	Relevant, always included	As described in C2.2b/iv, operational risks are consistently evaluated and may be informed by climate-related issues. For example, Prudential facilities are located in areas prone to hurricanes. Prudential considers these acute physical risks as they affect the team's daily operations and strategy to mitigate and manage extreme weather events.
Chronic physical	Relevant, always included	As described in C2.2b/iv, operational risks are consistently evaluated and may be informed by climate-related issues. For example, Prudential facilities are located in areas prone to rising average temperatures. Prudential considers these physical risks as they affect the team's daily operations and strategy to mitigate and manage energy costs required to counteract these climate impacts.
Upstream	Relevant, always included	Several risks previously described, such as reputation and chronic physical risks, may impact Prudential's upstream business processes. For example, Prudential's procurement team evaluates risks related to suppliers upstream in the value chain.
Downstream	Relevant, always included	Several risks previously described, such as technology, reputation, and physical risks, can have an impact on Prudential's downstream stakeholders – in particular, our customers. Prudential continuously evaluates downstream impacts, such as customer loyalty, when prioritizing our mitigation activities for crises as well as considering opportunities for program development such as those related to our sustainability efforts.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

i. Process for managing climate-related risks/opportunities: As previously described, Prudential's risk identification and management framework reinforces the company's ability to keep our promises under normal and stressed conditions. Through the framework, the company identifies, measures, evaluates and manages the risks inherent in the business as well as opportunities, in accordance with the direction set by senior management and with the approval of Prudential's Board. Each of our business units and significant corporate functions maintains its own risk committee. The business unit risk committees serve as a forum for leaders within each business unit to identify, assess and resolve risk and exposure issues and to review new products and initiatives to capitalize on opportunities, prior to such issues being reviewed by the Risk Oversight Committees and/or the ERC as appropriate. Corporate function risk committees assess and monitor risks associated with performing the relevant corporate functions, set standards and exercise oversight over specific risks. Risk Oversight Committees are in the business of managing risk through the establishment of parameters around risk for the organization to work within. As part of that, we measure/monitor against those parameters. Therefore, new risks, enterprise exposure to each of the key risks to the organization, and where we are against established parameters, are regularly reviewed with the Risk Oversight Committees.

ii. Physical Risk Case Study: Prudential is subject to business continuation risk, which is the risk that our systems and data may be disrupted. We depend heavily on our telecommunication, information technology and other operational systems and on the integrity and timeliness of data we use to run our businesses and service our customers. With regard to specific weather events, Prudential's Global Crisis management receives weather related reports that track storms, supporting our response planning. While we have not experienced an extreme weather event that caused significant damage in several years, we closely tracked Hurricane Sandy as it approached, securing facilities and ensuring safety by sandbagging to mitigate water rise, responding quickly to damaged windows, as well as planning for employees to work from home as needed. We also extended fuel contracts to our generators to ensure delivery in the midst of a disaster. The experience prompted us to build a LEED Gold certified back-up data center in Minnesota, as well as modifying the building generator setup to ensure backup on location.

iii. Transitional Risk Case Study: Our investment portfolios must react to changing consumer preferences to ensure continued customer satisfaction and investment returns. To help ensure we meet or exceed the expectations of our tenants, PGIM Real Estate engaged a professional consultant to evaluate important tenant topics such as property management, leasing, maintenance, property features and sustainability. The goal of the assessment was to gauge tenant satisfaction throughout PGIM Real Estate's portfolio to improve performance, increase retention, maximize portfolio value and achieve operational excellence. To build on our third-party tenant surveys, we capture additional information from our global property manager survey. This survey helps us identify property issues, trends and opportunities regarding tenant and community engagement, procurement and sustainability. To further partner with our tenants, we attempt to integrate sustainability into our leases where possible. Because of our green lease efforts, we earned the 2016 Green Lease Leaders Award from the U.S. Department of Energy and the Institute for Market Transformation.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Physical risk

Primary climate-related risk driver

Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact driver

Increased capital costs (e.g., damage to facilities)

Company- specific description

The company's business continuation plans outline recovery strategies in the event of severe natural disasters or pandemics that may arise in association with climate change. The company also examines geographic concentrations of risk that may affect businesses in the event of either set of cataclysms. PGIM Real Estate has also begun mapping water risks against location of investments in the portfolio.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Low

Potential financial impact

0

Explanation of financial impact

Financial implications include costs associated with business interruption. As Prudential has not experienced a severe weather event with significant impacts in several years, the specific costs associated with these events has not been evaluated.

Management method

Business continuation planning at Prudential assumes that the severe events will prevent the company's ability to do business across a wide range of ongoing activities. Plans include a variety of methods to ensure operations, particularly those related to client business, will continue. For example, Prudential's Global Crisis management receives weather related reports that track storms, supporting our response planning. While we have not experienced an extreme weather event that caused significant damage in several years, we closely tracked Hurricane Sandy as it approached, securing facilities and ensuring safety by sandbagging to mitigate water rise, responding quickly to damaged windows, as well as planning for employees to work from home as needed. We also extended fuel contracts to our generators to ensure delivery in the midst of a disaster. The experience prompted us to build a LEED Gold certified back-up data center in Minnesota, as well as modifying the building generator setup to ensure backup on location.

Cost of management

0

Comment

There are no incremental costs associated; these assessments are undertaken as a normal part of the company's risk identification process.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Reputation: Shifts in consumer preferences

Type of financial impact driver

Reputation: Reduced revenue from decreased demand for goods/services

Company- specific description

Inherent risks driven by other climate-related developments could include shifting public opinion on climate change and climate risk, changing market demand for Prudential's climate-related products and growing employee interest in environmental stewardship.

Time horizon

Short-term

Likelihood

Unlikely

Magnitude of impact

Low

Potential financial impact

Explanation of financial impact

Prudential's reputation as a trusted provider of financial services is rooted in a wide variety of factors, including, but not limited to being respected for our Environmental Commitment.

Management method

Prudential's Environment and Sustainability team is responsible for gathering business intelligence and monitoring megatrends related to the company's environmental risk management and opportunity creation. The team works with a number of subject matter experts embedded in the company's businesses to support their activities and help create direct or indirect business value.

Cost of management

0

Comment

No incremental costs are associated with the issues monitoring function.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Physical risk

Primary climate-related risk driver

Chronic: Rising mean temperatures

Type of financial impact driver

Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

Company- specific description

Prudential facilities are located in regions that may experience rising temperature and other chronic climate change impacts that may increase operating costs associated with maintaining comfortable working environments.

Time horizon

Current

Likelihood

Likely

Magnitude of impact

Low

Potential financial impact

53000

Explanation of financial impact

The annual energy cost savings associate with energy efficiency installations and upgrades to cooling processes for our facilities totaled \$53,000 in 2017.

Management method

Wherever Prudential can save in energy dollars we look to perform the installation and or upgrade. These are items of "low hanging fruit" and save substantial energy expenditure as well as making our current systems more efficient, dependable, reliable and better operating. For example, in 2017 we implemented LED lighting, occupancy sensors, and cooling equipment.

Cost of management

605000

Comment

Costs associate with energy efficiency and cooling of our facilities totaled \$605,000 in 2017.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of supportive policy incentives

Type of financial impact driver

Returns on investment in low-emission technology

Company- specific description

When Prudential was evaluating if renewable energy was a viable and economic endeavor to pursue, then rebates and grants offered by the Federal government and utility companies made the decision more attractive.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Low

Potential financial impact

4300000

Explanation of financial impact

Prudential experiences lower electrical annual usage at all sites where solar PV renewable energy was installed. For example, our solar sites in Roseland and Fort Washington generated 8351 Mwh of electricity, achieving more than \$4.3 million in savings for Prudential.

Strategy to realize opportunity

Prudential has explored renewable energy opportunities supported by policy incentives. For example, we are currently saving electrical energy costs annually through the use of solar PV renewable energy as well as SREC sales and Federal rebate grants.

Cost to realize opportunity

0

Comment

\$8.0 Million dollars in rebate grant money supported the installation of the solar arrays. Creating and executing this initiative was part of Prudential's normal annual capital improvement spend and required no incremental spend.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Other

Type of financial impact driver

Increased revenue through demand for lower emissions products and services

Company- specific description

Prudential has found opportunities to help mitigate climate change and support resilience in a variety of asset classes. Most prominently, the company has invested in renewable energy, green bonds and green real estate. The market value of Prudential's portfolio of renewable energy generation investments grew 12.9% from \$3.8 million at the end of 2016 to \$4.3 million at the end of 2017. PGIM Fixed Income began investing in green bonds in 2013. "Green bonds" are debt instruments used to finance environmental initiatives like energy efficiency or renewable energy projects. The market value of Prudential's green bonds totaled more than \$157 million at the end of 2017.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Low

Potential financial impact

Explanation of financial impact

Prudential's investment portfolios provide capital to the company to meet Prudential's obligations. They also offer attractive opportunities to clients of PGIM (Prudential's asset management business).

Strategy to realize opportunity

Prudential's skilled investment professionals and analysts continually evaluate the business models in which the company invests, the duration of those businesses and the placement of capital. Informed decision-making considers the speed to relevance and suitability for emerging businesses, such as renewable energy, and other investments declining in relevance, such as coal.

Cost to realize opportunity

0

Comment

The cost is integrated into existing budgets.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Resilience

Primary climate-related opportunity driver

Participation in renewable energy programs and adoption of energy-efficiency measures

Type of financial impact driver

Other, please specify (Reduced operating costs)

Company- specific description

PGIM Real Estate aims to reduce resource consumption while delivering attractive risk-adjusted returns for our investors. We see collaboration as an opportunity to scale sustainability solutions across portfolios to increase adoption while realizing a return on investment.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Potential financial impact

78000

Explanation of financial impact

The energy savings associated with this opportunity are difficult to quantify in total, however one opportunity resulted in \$78,000 in savings based on an estimated reduction of 178,000 kWh at four assets.

Strategy to realize opportunity

PGIM Real Estate partnered with a local utility to provide no cost energy audits to identify solutions and provide the expertise needed by property teams to help them execute the improvement projects. The utility provided the expert, a "Trade Ally," a specialist in energy efficiency and the utility incentive process, to help guide property managers to coordinate and maximize the value of the improvement projects. Our Trade Ally recommended projects with savings, costs, incentives and ROI calculations. Property teams at four of seven assets chose to move forward with projects in 2017. Based on the preliminary success of this program, in 2018 PGIM Real Estate will expand the program across the 10 utilities where our assets consume the most energy.

Cost to realize opportunity

71000

Comment

Our net investment in the project was calculated by subtracting approximately \$60,000 in rebates and incentives from our initial investment of \$131,000 into the program.

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted	i. The identified risks and opportunities reported in 2.3a and 2.4a have impacted Prudential's approach to designing or administering products and services. Studies have shown increasing demand for "responsible investment" products, such as those with climate-related attributes among institutional and retail customers, which will likely cause an increase in demand for our products and services. For example, shifting public opinion on climate change and climate risk could change market demand for climate-related product offerings. Though Prudential's investment processes inherently consider sustainability to ensure long-term returns for our clients, we have specifically pursued renewable energy investments and green bonds. ii. The magnitude of this impact is low, as these functions are part of day-to-day management and these activities are undertaken during the course of regular business.
Supply chain and/or value chain	Impacted	i. Physical climate risks and opportunities as described in 2.3a and 2.4a have affected our value chain activities, particularly with regard to shifting public opinion on climate change and climate risk, which could change market demand for climate-related product offerings. Prudential's Environment and Sustainability team is responsible for gathering business intelligence and monitoring megatrends related to the company's environmental risk management and opportunity creation. The team works with a number of subject matter experts embedded in the company's businesses to support their activities and help create direct or indirect business value. ii. The magnitude of this impact is low, as these functions are part of day-to-day management and these activities are undertaken during the course of regular business.
Adaptation and mitigation activities	Impacted	i. Physical climate risks as described in 2.3a have affected our mitigation activities, particularly with regard to Prudential's business continuation plans. These plans outline recovery strategies in the event of severe natural disasters or pandemics that may arise in association with climate change. The company also examines geographic concentrations of risk that may affect businesses in the event of either set of cataclysms. For example, PGIM Real Estate has begun mapping water risks against location of investments in the portfolio. ii. The magnitude of this impact is low, as these activities are undertaken during the course of regular business.
Investment in R&D	Not impacted	As Prudential mainly offers life insurance, annuities, retirement-related services, mutual funds and investment management, we consider development of these products and services to require general operating costs and do not report any investment toward developing our products in the 10-K as R&D.
Operations	Impacted	i. Physical climate risks and opportunities as described in 2.3a and 2.4a impact our operations, particularly with regard to implementing projects that support our progress toward achieving sustainability goals while saving on operational costs. ii. The magnitude of this impact can be considered low as these functions are part of day-to-day management and these activities are undertaken during the course of regular business.
Other, please specify	Please select	

C2.6

(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

	Relevance	Description
Revenues	Impacted	i. The identified risks and opportunities reported in 2.3a and 2.4a have impacted Prudential's revenues due to our investments in renewable energy funds, green bonds, green real estate, and other investments with environmental considerations. Studies have shown increasing demand for "responsible investment" products, such as those with a climate-related attributes among institutional and retail customers, which will likely cause an increase in demand for our products and services, contributing to increased revenues. ii. The magnitude of this impact is low, as these functions are part of day-to-day management and these activities are undertaken during the course of regular business.
Operating costs	Impacted	i. Physical climate risks as described in 2.3a have affected our operating costs related to mitigation activities, particularly with regard to our Disaster Recovery and Business Continuity functions. Depending on size and scale of impacts, these teams often must use allocated day-to-date operating costs to manage weather related-events when they occur. ii. The magnitude of this impact in terms of costs is low, as these functions are part of the normal crisis lifecycle and activities are undertaken during the course of regular business.
Capital expenditures / capital allocation	Impacted	i. Physical climate risks as described in 2.3a have affected our operating costs as an annual capital fund has been developed to address specific energy saving initiatives. ii. The magnitude of this impact in terms of costs is low, as these activities are undertaken during the course of regular business.
Acquisitions and divestments	Not impacted	At this time, physical and transitional climate risks and opportunities as described in 2.3a/2.4a have not affected our acquisitions/divestments planning. These decisions are primarily concerned with Prudential's access to and growth in strategic markets.
Access to capital	Not impacted	The identified risks and opportunities reported in 2.3a and 2.4a have not directly impacted Prudential's access to capital, and we do not currently foresee an impact to this area.
Assets	Impacted	i. Physical climate risks and opportunities as described in 2.3a impact our assets, in particular our facilities, due to the energy and emissions reduction initiatives that may increase the value of owned sites due to installed efficiency measures. These types of investments may also facilitate quick sale of assets should potential buyers find them of interest. Additionally, we are impacted on the assets side with the investments we make in a broad array of business models. Understanding climate change on the evolution of those business models and the climate change impact on the companies' ability to pay back our investments is the primary lens through which we consider climate change. ii. The magnitude of this impact in terms of costs is low but has high returns. For example, \$8.0 million dollars in rebate grant money supported the installation of the solar arrays. Creating and executing this initiative was part of Prudential's normal annual capital improvement spend and required no incremental spend, but will see financial return.
Liabilities	Impacted	i. Physical climate risks and opportunities as described in 2.3a and 2.4a impact Prudential's liabilities. Current regulatory risks are consistently evaluated and may be informed by climate-related issues, as federal, state and local environmental laws and regulations apply to our ownership and operation of real property. For example, inherent in owning and operating Prudential's real property are the risks of hidden environmental liabilities and the costs of any required clean-up. Although unexpected environmental liabilities can always arise, Prudential seeks to minimize this risk by undertaking environmental assessments, among other measures prior to taking title to real estate. In addition, third-party contracted support toward our climate-related efforts represents a financial liability. ii. The magnitude of this impact is low, as these functions are part of day-to-day management and these activities are undertaken during the course of regular business.
Other	Please select	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

Yes, qualitative and quantitative

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

i. A company-specific explanation of how business objectives and strategy have been influenced by climate-related issues: Prudential's business objectives and strategy are influenced by climate-related issues in several instances. As previously described, recognition of climate change risks and opportunities are integrated into and influence Prudential's business strategy in both the company's risk management and the creation of products and programs that help mitigate climate risk and support resilience. For example, Prudential has long recognized the connection between climate risk and the company's long-term vitality. Our business continuation plans outline recovery strategies in the event of severe natural disasters or pandemics that may arise in association with climate change. The company also examines geographic concentrations of risk that may affect businesses in the event of either set of cataclysms. Additionally, Prudential's Domestic Environmental Commitment acknowledges the connection between climate risk and the possible impact to the company, clients and neighbors. In 2017, work advanced towards updating Prudential's global environmental commitment which upon completion, will include a set of quantitative and qualitative targets for our business globally, aimed at reducing the overall environmental impact of our operations.

ii. Explanation of whether your business strategy is linked to an emissions reductions target or energy reduction target: Prudential is currently in the process of updating our Global Environmental Commitment, which will include a quantitative greenhouse gas (GHG) reduction goal (for US domestic sites initially), that will be based on historical GHG data and modelled around a science-based approach to help embed rigor and align with best practice.

iii. Most substantial business decisions made during the reporting year: As mentioned above, in 2017, Prudential advanced towards updating our global environmental commitment, which upon completion, will include a set of quantitative and qualitative targets for our business globally, aimed at reducing the overall environmental impact of our operations. To enhance the rigor of this process, we took an additional step to ensure the quality and accuracy of our GHG emissions data in 2018 by engaging a third-party verifier to provide assurance for our 2017 reported emissions.

Specific to our businesses, PGIM Investments continued to invest in a diverse portfolio of "green" investments in 2017, which included:

- Alternative Energy Investments – Portfolio market value increased 12.9% versus 2016, including over \$4.3 billion invested in renewable power projects.
- Green Real Estate – PGIM Real Estate managed 26.7 million square feet of LEED certified real estate totaling \$13.9 billion (as of 12/31/17).
- Green Bonds – Prudential's Fixed Income's green bond investment grew 11 fold since 2013; market value exceeds \$157 million.

C3.1d

(C3.1d) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios	Details
2DS	<p>i. Prudential recently initiated a high-level analysis of science-based target setting methods to inform an update to our Global Environmental Commitment. The SBT methodologies considered include CDP criteria, which utilizes the RCP 2.6 scenario, as well as SBTi criteria utilizing 2DS, SDA, and C-Fact methodologies. We have chosen to report on the 2DS scenario for this response. Company-specific growth trajectories including financial indicators and employees were applied to historical GHG emissions trends to determine a business-as-usual (BAU) scenario. ii. Prudential evaluated both medium- and long-term time horizons, as we endeavor to evaluate the range of possible criteria for setting our goals in the absence of specific SBTi guidance for financial institutions. iii. The SBT assessment applies to our US domestic sites. iv. The analysis is currently underway. We expect the results to indicate that the more stringent SBTi criteria will result in a higher percentage reduction vs CDP criteria. We will use these results to determine an appropriate path forward given the current lack of approved methodologies for financial institutions. v. The analysis impacts our objectives and strategy by providing us with reference points to determine the appropriate plans of action to achieve emissions reductions, such as energy efficiency measures and renewable energy investments. vi. A specific example of how the analysis has influenced and will continue to influence Prudential’s strategy relates to our work to update our global environmental commitment, which upon completion, will include a quantitative greenhouse gas reduction goal (for U.S. domestic sites initially), that will be based on historical GHG data and modeled around a science-based approach to help embed rigor and align with best practice. The SBT assessment will inform this goal and set the tone for a more ambitious approach to our environmental management.</p>

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

No target

C4.1c

(C4.1c) Explain why you do not have emissions target and forecast how your emissions will change over the next five years.

Row	Primary reason	Five-year forecast	Please explain
1	We are planning to introduce a target in the next two years	Prudential predicts that intensity figures for the company’s Scope 1 and 2 emissions will decrease over the next five years as the company continues to integrate sustainability deeper into the business. Prudential’s reduction initiatives, including a GHG reduction goal aligned with a science-based approach, will put Prudential in a position to realize a decrease in emissions between now and 2023.	Prudential’s Domestic Environmental Commitment acknowledges the connection between climate risk and the possible impact to the company, clients and neighbors. In 2017, work advanced towards updating Prudential’s global environmental commitment which upon completion, will include a set of quantitative and qualitative targets for our business globally, aimed at reducing our overall environmental impact of our operations. The commitment will include a quantitative greenhouse gas (GHG) reduction goal (for US domestic sites initially), that will be based on historical GHG data and modelled around a science-based approach to help embed rigor and align with best practice.

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1a/b.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	5	3800
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Activity type

Energy efficiency: Building services

Description of activity

HVAC

Estimated annual CO2e savings (metric tonnes CO2e)

800

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

25000

Investment required (unit currency – as specified in CC0.4)

400000

Payback period

11-15 years

Estimated lifetime of the initiative

16-20 years

Comment

Our current air conditioning chiller at the Scranton, PA facility (Moosic) was at the end of its useful life and warranted a full replacement. Energy efficient equipment was a priority for Prudential with this upgrade.

Activity type

Energy efficiency: Building services

Description of activity

Other, please specify (Glycol supplemental cooling system)

Estimated annual CO2e savings (metric tonnes CO2e)

1300

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

10000

Investment required (unit currency – as specified in CC0.4)

150000

Payback period

11-15 years

Estimated lifetime of the initiative

16-20 years

Comment

Our current glycol supplemental cooling system at the Scranton, PA facility (Moosic) was at the end of its useful life and warranted replacement. This is a 7x4x365 operation and energy efficient equipment was essential.

Activity type

Energy efficiency: Building services

Description of activity

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

500

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

5000

Investment required (unit currency – as specified in CC0.4)

15000

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Conversion from T-8 and T-5 fixtures to LED lighting occurred in all newly retrofitted spaces throughout our portfolio.

Activity type

Energy efficiency: Building services

Description of activity

Building controls

Estimated annual CO2e savings (metric tonnes CO2e)

200

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

3000

Investment required (unit currency – as specified in CC0.4)

7500

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

Occupancy sensors were installed in all private offices, mechanical and electrical spaces throughout our portfolio.

Activity type

Energy efficiency: Processes

Description of activity

Please select

Estimated annual CO2e savings (metric tonnes CO2e)

1000

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

10000

Investment required (unit currency – as specified in CC0.4)

35000

Payback period

4 - 10 years

Estimated lifetime of the initiative

11-15 years

Comment

Optimum start/stop software programming within our BMS. VFD installations with premium efficient motors where feasible throughout.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Emissions reductions activities are driven through an annual capital budget allocation. Each year, Prudential dedicates capital dollars for priority energy and carbon footprint reduction projects and initiatives. This occurs for all our operationally controlled owned and or leased domestic portfolio. Capital spending varies from year to year, as the energy related projects are diverse. Examples include: ** In the past, Prudential has spent more than \$20.0M dollars installing on site solar PV renewable energy systems in a number of home office properties. UPS upgrade projects can cost \$500K and more. BMS projects are in the \$1.5 M dollar range.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

Green bonds

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Please select

% revenue from low carbon product(s) in the reporting year

Comment

PGIM Fixed Income began investing in green bonds in 2013. "Green bonds" are debt instruments used to finance environmental initiatives like energy efficiency or renewable energy projects. The market value of Prudential's green bonds totaled more than \$157 million at the end of 2017.

Level of aggregation

Product

Description of product/Group of products

Alternative energy investments

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Please select

% revenue from low carbon product(s) in the reporting year

Comment

PGIM Investments continued to invest in a diverse portfolio of "green" investments in 2017, which included Alternative Energy Investments. Portfolio market value increased 12.9% versus 2016, including over \$4.3 billion invested in renewable power projects.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2016

Base year end

December 31 2016

Base year emissions (metric tons CO2e)

12919.88

Comment

2016 GHG emissions were refreshed post CDP2017 to include GHG emissions from Prudential's facilities in Brazil, Japan, South Korea and Taiwan. Prior to this only Prudential's domestic US facilities were included in CDP disclosures.

Scope 2 (location-based)

Base year start

January 1 2016

Base year end

December 31 2016

Base year emissions (metric tons CO2e)

61454.13

Comment

CY2016 GHG emissions were refreshed post CDP2017 to include GHG emissions from Prudential's facilities in Brazil, Japan, South Korea and Taiwan. Prior to this only Prudential's domestic US facilities were included in CDP disclosures.

Scope 2 (market-based)

Base year start

January 1 2016

Base year end

December 31 2016

Base year emissions (metric tons CO2e)

80919.09

Comment

CY2016 GHG emissions were refreshed post CDP2017 to include GHG emissions from Prudential's facilities in Brazil, Japan, South Korea and Taiwan. Prior to this only Prudential's domestic US facilities were included in CDP disclosures.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Row 1

Gross global Scope 1 emissions (metric tons CO2e)

13572.16

End-year of reporting period

<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Row 1

Scope 2, location-based

57054.79

Scope 2, market-based (if applicable)

80662.89

End-year of reporting period

<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Mobile emissions from Prudential's owned/leased and operated vehicles

Relevance of Scope 1 emissions from this source

Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why the source is excluded

Prudential does not yet have accurate data for these emissions for the reporting year, but will include in future inventories. Based on an estimate of these emissions, they are less than 4% of total scope 1 emissions and are also less than 1% total Scope 1 & 2 emissions

Source

Emissions from refrigerants used in Prudential's buildings

Relevance of Scope 1 emissions from this source

Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why the source is excluded

GHG emissions associated with refrigerants are excluded due to lack of readily available data. Prudential will continue to pursue better data and include refrigerant emissions in future inventories. From a high-level estimate refrigerants contribute less than 0.1% of Prudential's total Scope 1 and similarly less than 0.1% of total Scope 1 & 2.

Source

Emissions from cold water purchases for air-conditioning in one of our buildings in Japan

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are relevant but not yet calculated

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why the source is excluded

Data was not available for these cold water purchases. Prudential is going to continue to pursue data collection from this source and will include in future inventories.

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Prudential is undergoing a revamp of its vendor management and vendor governance activities, which make this assessment difficult at this time. However we are actively identifying and prioritizing our most significant purchases based on annual spend and will then look at gathering data from our key vendors or using estimates to calculate emissions from our purchased goods and services in future inventories.

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Prudential is undergoing a revamp of its vendor management and vendor governance activities, which make this assessment difficult at this time. However we are actively identifying and prioritizing our most significant purchases based on annual spend and will then look at gathering data from our key vendors or using estimates to calculate emissions from our purchased goods and services in future inventories.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

16458

Emissions calculation methodology

Emissions were calculated for fuel-and-energy-related activities (not included in Scope 1 or 2) by totalling activity data for each Scope 1 fuel type and electricity consumption by country. These totals were multiplied by their relevant specific emission factors from UK Defra / DECC 2017 Conversion Factors for Company Reporting

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

As a financial services firm, Prudential does not ship goods or products.

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Prudential publishes its waste and recycling quantities in its annual Sustainability Report, but has not yet calculated associated GHG emissions. We will include these calculations within future inventories.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

11352.18

Emissions calculation methodology

Employee air business travel mileage are obtained from our vendor. The mileage is categorized by distances: <621 miles or ≥621 miles and appropriate EPA Emission Factors for Business Travel are applied to each to calculate associate MT CO2e of GHG emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Prudential currently collects data for and quantifies business travel by air, but is currently working to include emissions from business travel from car rentals within this category for future inventories.

Employee commuting

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Prudential has a flexible telecommuting program for employees which makes reliably calculating these numbers difficult. However Prudential is actively seeking how to best quantify data (e.g., via periodic employee surveys) in order to include in future inventories

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Prudential does not lease assets on a material scale.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

As a life insurance and financial services company, Prudential does not produce a physical product.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

As a life insurance and financial services company, Prudential does not produce a physical product.

Use of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

As a life insurance and financial services company, Prudential does not produce a physical product.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

As a life insurance and financial services company, Prudential does not produce a physical product.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Prudential does not lease assets on a material scale.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Prudential does not operate franchise companies

Investments

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

While these have not yet been calculated, Prudential is considering methodologies and applicability to its proprietary and client holdings.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

There are no other relevant upstream emissions to Prudential in addition to what is included above in this table

Other (downstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

0

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

There are no other relevant downstream emissions to Prudential in addition to what is included above in this table.

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000013165

Metric numerator (Gross global combined Scope 1 and 2 emissions)

70626.96

Metric denominator

unit total revenue

Metric denominator: Unit total

53646000000

Scope 2 figure used

Location-based

% change from previous year

9

Direction of change

Decreased

Reason for change

This change was due to a 5% decrease in location-based emissions, in part due to emissions reduction activities such as replacing a chiller and cooling system with more energy efficient equipment as well as our ongoing LED lighting retrofits. The decrease was not fully offset by the 4% increase in total revenue, leading to an overall decrease in this intensity metric.

Intensity figure

0.0000017566

Metric numerator (Gross global combined Scope 1 and 2 emissions)

94235.06

Metric denominator

unit total revenue

Metric denominator: Unit total

53646000000

Scope 2 figure used

Market-based

% change from previous year

3.7

Direction of change

Decreased

Reason for change

This change was due to a 0.2% increase in market-based emissions, in part due to emissions reduction activities such as replacing a chiller and cooling system with more energy efficient equipment as well as our ongoing LED lighting retrofits. The increase was not fully offset by the 4% increase in total revenue, leading to an overall decrease in this intensity metric.

Intensity figure

0.003698133

Metric numerator (Gross global combined Scope 1 and 2 emissions)

70626.96

Metric denominator

square foot

Metric denominator: Unit total

19098003

Scope 2 figure used

Location-based

% change from previous year

5.3

Direction of change

Decreased

Reason for change

This change was due to a 5% decrease in location-based emissions, in part due to emissions reduction activities such as replacing a chiller and cooling system with more energy efficient equipment as well as our ongoing LED lighting retrofits. As there was no change in floor area between 2016 and 2017, this led to an overall decrease in this intensity metric.

Intensity figure

0.004934288

Metric numerator (Gross global combined Scope 1 and 2 emissions)

94235.06

Metric denominator

square foot

Metric denominator: Unit total

19098003

Scope 2 figure used

Market-based

% change from previous year

0.2

Direction of change

Decreased

Reason for change

This change was due to a 0.2% increase in market-based emissions, in part due to emissions reduction activities such as replacing a chiller and cooling system with more energy efficient equipment as well as our ongoing LED lighting retrofits. As there was no change in floor area between 2016 and 2017, this led to an overall decrease in this intensity metric.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	13544.05	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	11.46	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	16.64	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Brazil	0
Japan	5457.04
Republic of Korea	430.92
Taiwan (Province of China)	0
United States of America	7684.2

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Propane consumption (stationary combustion)	5457.04
Natural Gas consumption (stationary combustion)	8115.12
Distillate Fuel Oil #2 consumption (stationary combustion)	0

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Brazil	108.74	108.74	692.68	0
Japan	3630	3630	7311.74	0
South Korea	3224.11	3224.11	6103.68	0
Taiwan (Province of China)	1192.06	1192.06	1806.72	0
United States of America	48899.64	72507.74	128797.5	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Purchased electricity consumption at our facilities	56815.55	80423.65
Purchased hot water used for air conditioning in one of our Japanese facilities	239.25	239.25

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	
Other emissions reduction activities	3986.3	Decreased	5.34	Gross Scope 1&2 (location-based) emissions for 2016 minus Gross Scope 1&2 (location-based) emissions for 2017] divided by Gross Scope 1&2 (location-based) emissions for 2016) multiplied by 100. That is $[(74,613.26 - 70,626.96) / 74,613.26] * 100$
Divestment	0	No change	0	
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	0	No change	0	
Change in methodology	0	No change	0	
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	0	No change	0	
Other	0	No change	0	

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	70128.18	70128.18
Consumption of purchased or acquired electricity	<Not Applicable>	0	143656.34	143656.34
Consumption of purchased or acquired heat	<Not Applicable>	0	1055.98	1055.98
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	0	214840.49	214840.49

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

44776.98

MWh fuel consumed for the self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Fuels (excluding feedstocks)

Propane Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

25351.2

MWh fuel consumed for the self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Natural Gas

Emission factor

53.06

Unit

kg CO2 per million Btu

Emission factor source

EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, March 9, 2018 (<https://www.epa.gov/climateleadership/center-corporate-climate-leadership-ghg-emission-factors-hub>).

Comment

Propane Gas

Emission factor

61.71

Unit

kg CO2 per million Btu

Emission factor source

EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, March 9, 2018 (<https://www.epa.gov/climateleadership/center-corporate-climate-leadership-ghg-emission-factors-hub>).

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	585	554.59	585	554.59
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor

No purchases or generation of low-carbon electricity, heat, steam or cooling accounted with a low-carbon emission factor

Low-carbon technology type

<Not Applicable>

MWh consumed associated with low-carbon electricity, heat, steam or cooling

<Not Applicable>

Emission factor (in units of metric tons CO2e per MWh)

<Not Applicable>

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope

Scope 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Prudential CY17 Assurance Statement-ASRauthorized.pdf

Page/ section reference

Page 2, Table 1. Summary of Prudential, GHG Emissions Inventory CY 2017

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Prudential CY17 Assurance Statement-ASRauthorized.pdf

Page/ section reference

Page 2, Table 1. Summary of Prudential, GHG Emissions Inventory CY 2017

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Prudential CY17 Assurance Statement-ASRauthorized.pdf

Page/ section reference

Page 2, Table 1. Summary of Prudential, GHG Emissions Inventory CY 2017

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope

Scope 3- at least one applicable category

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Attach the statement

Prudential CY17 Assurance Statement-ASRauthorized.pdf

Page/section reference

Page 2, Table 1. Summary of Prudential, GHG Emissions Inventory CY 2017

Relevant standard

ISO14064-3

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Included climate change in supplier selection / management mechanism

Code of conduct featuring climate change KPIs

Climate change is integrated into supplier evaluation processes

% of suppliers by number

% total procurement spend (direct and indirect)

% Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

Prudential recognizes that our environmental impacts extend beyond our direct operations to our supply chain. By engaging our significant vendors to comply with the Environmental portion of our Vendor Code of Conduct, we hope to educate as well as learn from these suppliers that comprise much of our spending.

Impact of engagement, including measures of success

One of the conditions of doing business with Prudential is compliance with the Environmental portion of the Vendor Code of Conduct and Terms of Engagement. Once an agreement or contract is signed, significant vendors are asked to attest to their compliance to various portions of the agreement annually. In addition, if material issues are identified that would indicate lack of compliance, these would be addressed in either routine or ad hoc vendor engagements.

Comment

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

Prudential's Environmental Task Force, with representatives from Prudential's businesses and Corporate Centers, supports day to day implementation of our corporate responsibility strategy, employee engagement and related initiatives. Our employees are key partners in the value chain for promoting and implementing climate-related initiatives. We continue to build a network of "sustainability ambassadors" between the Environmental Task Force, CSR Committee and Prudential's Global Communications group, by engaging more employees in programs that integrate sustainability with corporate programs, like Green Teams and Lunch and Learns.

For example, the Environmental Task force organizes Lunch and Learn sessions for all employees on various topics including renewable energy, home solar use, energy savings initiatives, impact investing and scenario analysis. Eight locations have Green Teams to foster behavior change and engage employees. The Green Teams have organized community initiatives, such as park clean-ups, adopt-a-highway clean up, recycling drives, and Lunch & Learn Sessions. These programs are supported by messaging in the company's internal web-based homepage.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Other

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Prudential engagement activities include involvement with a range of organizations like membership in the Ceres Business Network and Ceres Investor Network. Prudential has sponsored conferences with both organizations at which important issues around climate change -- both domestically and internationally -- are discussed.

In addition, staff in Prudential businesses participate in discussions with organizations related to their line of business. For example, the sustainability lead for PGIM Real Estate is active with the U.S. Green Building Council and the Urban Land Institute's Greenpoint Center for Building Performance. Also, three PGIM arms are signatories to the Principles for Responsible Investment.

Finally, Prudential has been active with the Geneva Association, an international insurance trade organization, including its work on Climate

Risk.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Coordination of direct and indirect activities is the responsibility of Prudential's Director, Environment and Sustainability. This position is charged with guiding and assisting subject matter experts in Prudential's corporate functions and businesses, ensuring that all activities and positions undertaken are consistent with the company's environmental commitment. The Director then oversees engagement via our Sustainability Council/Environmental Task Force and interaction with Green Teams.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

2017_Sustainability_Report.pdf

Content elements

- Governance
- Strategy
- Risks & opportunities
- Emissions figures
- Emission targets
- Other metrics

Publication

In mainstream reports

Status

Complete

Attach the document

PrudentialFinancialInc_10K_2017.pdf

Content elements

- Risks & opportunities

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Vice Chairman	Director on board

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

Please confirm below

I have read and accept the applicable Terms