March 26, 2020

Letter from the Board of Directors to Our Shareholders

The Board values this opportunity to share our perspectives regarding the work we undertook for our shareholders during 2019. Our objective is to guide and oversee management in the creation of long-term value through the execution of an innovative business strategy, a commitment to corporate ethics, careful risk oversight, human capital development, a commitment to sustainability, and creating positive societal impact. In pursuit of these objectives, we are pleased to share with you an overview of the Board's priorities and actions during the year.

BUSINESS STRATEGY

Our Board is vigilant in the oversight of our firm’s long-term strategy. By focusing on our long-term outlook, we support our common goal of creating enduring value in our firm.

In 2019, the Company extended its growth strategy through the groundbreaking acquisition of Assurance IQ, Inc. (“Assurance”), a direct-to-consumer platform that transforms the buying experience for individuals seeking financial wellness solutions. Assurance accelerates the strategy and growth potential of our businesses, bringing us closer to more people across the entire socioeconomic spectrum to better serve the full range of their needs.

HUMAN CAPITAL MANAGEMENT

Creating value for our employees is crucial to our long-term strategy. The Company adopted the “Skills Accelerator” which enables employees to access current skills, map them against our future needs and build a plan for acquiring future-ready skills. To create the solutions and tools allowing us to meet the needs of our changing world, we are investing in our employees and continuing to build an inclusive culture that inspires leadership, encourages innovative thinking and embraces different perspectives. This philosophy extends to our role in society where our support of global economic progress will benefit the members of tomorrow's workforce.

Empowering diverse industry talent is a key priority for the Company. Talent development is discussed at every Board meeting, and once per year, the Board devotes time to discuss talent at each business and functional leadership level across the Company. This engagement gives us rich insight into the Company's talent pool and our leaders' succession plans.

Our Corporate Social Responsibility Oversight Committee, comprising Board members and Prudential senior executives, evaluates the Company’s commitment to inclusion and actively suggests policy enhancements.

Our commitment to develop a diverse talent pipeline for the future extends beyond Prudential's walls. We pledged more than $180 million through 2025 to support “opportunity youth”, young people aged 15-29 worldwide who lack access to school, training or employment. Our goal is to level the playing field by creating pathways for these young people to achieve financial wellness, strengthen their communities and help drive the global economy.
CULTIVATING A STRONG ETHICAL CULTURE

Our Corporate Governance and Business Ethics Committee oversees the Company's overall ethical culture and human rights policy.

We recognize the importance of doing business the right way across our global enterprise. We work with management to set and communicate Prudential's ethical "tone", which guides our conduct and protects Prudential's reputation. We believe employees' actions are significantly influenced by an organization's culture and the corporate environment influences how employees make decisions. Directors meet with Prudential's senior global business leaders throughout the year, including those on the frontline who have direct customer contact. This interaction helps us understand worldwide employee engagement. We maintain a robust ethics and compliance program directed by our Chief Ethics and Compliance Officer, with whom we meet regularly. We assess employee engagement surveys, employee turnover, and the Company's incentive plans to confirm that the goals and performance are both reasonable and aligned.

CREATING POSITIVE SOCIETAL IMPACT

Our Board recognizes that it takes more than strong financial returns to build a successful business. Since the Company's founding, we've known a key to business success is creating value for all our stakeholders. By leveraging the full breadth of Prudential's business capabilities, the Company harnesses the power of the capital markets to promote inclusive economic opportunity and sustainable growth. We act as a catalyst for change by finding, funding and incubating solutions to societal and business challenges. The Board is proud that this year we attained our goal of building a $1 billion impact investing portfolio. Through our impact investing and our corporate social responsibility initiatives, we are investing in creating long-term partnerships that help address social challenges and solve complex problems. These efforts are opening the doors to new financial solutions and market opportunities.

ENVIRONMENTAL COMMITMENT

As a leading global insurance provider and asset manager, we believe instilling the principle of environmental stewardship throughout our global businesses benefits our clients, employees, and shareholders – as well as future generations. In 2019, we expanded our Global Environmental Commitment by supporting sustainable investments through a wide range of business, operational and investment goals. We believe transparency in reporting benefits investors. As such, we support and report on the Task Force on Climate-related Financial Disclosure recommendations. Our sustainability report uses both the Global Reporting Initiatives Sustainability Reporting Standards, and the Sustainability Accounting Standards frameworks.

BOARD RISK OVERSIGHT

Managing and monitoring risks are important to our oversight of Prudential. We regularly review the Company's risk profile, including its approach to capital management, its operational footprint, and its investment risks and strategies. The Board considers the breadth of the Company's risk management framework when approving its strategy and risk tolerance and verifies strategic plans are commensurate with our ability to identify and manage risk. The Board’s Risk Committee includes the chairs of each of the other Board committees, allowing us to more closely coordinate our risk oversight function. The Risk Committee has metrics in place to monitor and review market, insurance, investment and operational risk.

ENGAGEMENT AND OUTREACH

As a Board, one of our priorities is listening to and considering the views of our shareholders as we make decisions in the Boardroom. We accomplish this through a robust outreach and engagement program. In 2019, we spoke to investors who hold a majority of our outstanding shares. Topics discussed included Prudential's executive compensation plan, human capital development, corporate culture, sustainability, board leadership structure and succession planning.
YOUR VIEW IS IMPORTANT TO US

We value your support, and we encourage you to share your opinions with us. You can do so by writing to us at the address below. You can also send an email to the independent directors at independentdirectors@prudential.com or provide feedback on our executive compensation program via our website at www.prudential.com/executivecomp. If you would like to write to us, you may do so by addressing your correspondence to Prudential Financial, Inc., Board of Directors, c/o Margaret M. Foran, Chief Governance Officer, 751 Broad Street, Newark, NJ 07102. We suggest you view short Board of Director videos featuring Michael A. Todman, a member of Prudential’s Compensation and Finance Committees, Sandra Pianalto, a member of Prudential’s Corporate Governance and Business Ethics and Finance Committees, and Robert M. Falzon, Prudential’s Vice Chairman, on our website at www.prudential.com/directorvideos.

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