RESPONSIBLE INVESTING POLICY

Chief Investment Office

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RESPONSIBLE INVESTING AT PRUDENTIAL

For nearly 150 years, Prudential has committed to keeping its long-term promise of helping customers achieve financial security and peace of mind by offering insurance and retirement products and services. In service of this, Prudential maintains disciplined asset liability management which requires constructing high-quality investment portfolios comprising assets that support the liability profile of the company's products and obligations.

This requires Prudential to take a long-term view of risks and opportunities when making investment decisions for the General Account (GA), which holds the assets that support Prudential's policyholder claims and benefits. This includes the consideration of financial and non-financial factors that may impact each asset class in which the Chief Investment Office (CIO) invests, including Environmental, Social, and Governance (ESG) factors. The CIO, representing the GA, is responsible for directing the GA's asset managers to make investments that best support the characteristics of the company's policyholder obligations. In support of this core objective, the CIO has developed this policy to define its priorities and beliefs related to Responsible Investing (RI).

POLICY SCOPE

This policy governs Prudential's investment activities as an asset owner across GA assets, as defined in the Investment Policy, for Prudential's wholly owned insurance company affiliates, including any product or obligation which is supported and/or guaranteed by the GA. This policy applies to asset managers (internal or external) and the assets they manage on behalf of Prudential's GA.

DEFINITION OF RESPONSIBLE INVESTING

Prudential defines RI as the integration of ESG factors into investment decision-making and ownership practices as these non-financial factors can have an impact on long-term financial performance. Prudential considers RI to be an overarching strategy while ESG is the data and portfolio tools used to inform investment decisions.

POLICY OBJECTIVE

The CIO created this policy to guide how RI should be integrated and monitored in investment decisions made on behalf of the GA. This policy lays out high-level standards recognizing the need to maintain appropriate flexibility across different asset classes.

RESPONSIBLE INVESTING STRATEGY

The CIO's RI strategy is based on the following core principles:

ESG INTEGRATION

The CIO expects asset managers to incorporate ESG factors into investment decisions made on behalf of the GA where reliable data exist. While ESG may not be an investable theme for every asset class or issuer, ESG factors should be evaluated in every investment decision where possible. Additionally, ESG factors should be evaluated throughout the lifecycle of all investments.

ESG integration may be achieved differently depending on asset class; this may include, but is not limited to:

- Incorporating ESG factors into fundamental security analysis
- Assessing how ESG factors could impact long-term asset returns
- Understanding the ESG approach of a fund general partner

CLIMATE ACTION

The CIO manages GA investments to meet the opportunities and challenges that climate change presents. The CIO believes it is prudent portfolio risk management to assess climate risk and update its views as data consistency improves and standards evolve.

The CIO will continue to assess its Scope 3 financed emissions, where quality data exists, to understand and evaluate climate risk exposure. For investments where the GA is more exposed to transition risk, the CIO may undertake an assessment of impacts.

SUSTAINABLE INVESTMENT

The CIO defines sustainable investment as:

1. Externally labeled ESG debt,[1] including, but not limited to:
    - Green bonds
    - Social bonds
    - Sustainability bonds
    - Sustainability-linked bonds

FOOTNOTE

[1] Aligned with International Capital Markets Association (ICMA) principles and contain a second-party opinion.

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2. Green investments,[2] including, but not limited to investments in:
   - Renewable energy
   - Energy efficiency
   - Green buildings
   - Clean transportation
   - Environmentally sustainable management of living natural resources and land use
3. Social investments,[3] including, but not limited to investments in:
   - Basic infrastructure
   - Essential services (healthcare, education, etc.)
   - Affordable housing
   - Financial inclusion
   - Food security and sustainable food systems
   - Employment generation

ACTIVE OWNERSHIP

The CIO expects its asset managers to engage proactively with investees on ESG-related topics when ESG factors present a material investment risk or opportunity consistent with non-ESG topics. Asset managers should prioritize engagement based on materiality of long-term risk and should utilize the most appropriate form of engagement based on asset class.

INVESTMENT RESTRICTIONS

The CIO believes the most effective way to have a positive impact on ESG issues is through continued ownership and engagement with issuers as they make progress on ESG issues rather than an exclusions-based approach. However, the CIO recognizes that select investment restrictions may be appropriate to achieve its portfolio management objectives. The CIO has developed the following investment restrictions.

The CIO's asset managers should not knowingly make new direct investments in the below categories. Restrictions apply only to *new* investments and do not require divestment.

Implementation of these investment restrictions are subject to compliance with applicable local laws, rules, and regulations.

1. **Thermal coal** – Direct investments in mining or utility companies with more than 25% of revenue from thermal coal. Exceptions would apply for issuers with a low carbon transition strategy and green bonds of restricted issuers.
2. **Controversial weapons** – Direct investments in companies involved in the direct manufacturing and production of cluster munitions, anti-personnel mines, biological weapons, or chemical weapons.

FOOTNOTES

[2] Aligned with eligible projects listed in ICMA Green Bond Principles.

[3] Aligned with eligible projects listed in ICMA Social Bond Principles.

RESPONSIBLE INVESTING STRATEGY

The following investments are exempt from these investment restrictions:

1. Investment vehicles where Prudential is a passive investor, such as third-party managed funds, credit default indices, or exchange-traded funds

2. Credit tenant leases

IMPACT INVESTMENTS

Consistent with Prudential's approach to long-term sustainability, Prudential believes the company's long-term success depends on the vitality of the communities in which business is conducted. Prudential helps create such communities through investments aimed at addressing societal challenges not being adequately served by traditional capital markets.

The CIO believes these investments can help fund and incubate solutions to societal and business challenges. This includes, but is not limited to, investments that promote transformative developments, financial inclusion, education & skills, and affordable housing.

RESPONSIBLE INVESTING GUIDELINES

MINIMUM STANDARDS FOR ALL ASSET MANAGERS

The CIO expects its asset managers to adhere to the requirements of this policy when making investment decisions on behalf of the GA. These principles will evolve over time as new tools, data, and standards become available.

MINIMUM STANDARDS FOR THE CHIEF INVESTMENT OFFICE

The CIO is responsible for the consolidation and assessment of its asset managers' incorporation of the RI principles. This helps to create a consistent interpretation of ESG and risks for all stakeholders.

REVIEW

This policy will be reviewed internally on an annual basis, or more frequently as ESG standards evolve.

DISCLAIMER

Any references to "responsible investing," "sustainable investing," "sustainable investments," "ESG" or similar terms in this document are intended as references to the internally defined criteria of the company or our businesses only, as applicable, and not to any jurisdiction-specific regulatory definition. The term "materiality," as used herein, does not necessarily equate to the level of materiality of disclosures required under U.S. federal securities laws.