

GREEN BOND REPORT

March 2025

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RESPONSIBLE STEWARDSHIP AT PRUDENTIAL

HERE THEN. HERE TODAY. HERE TOMORROW.

For 150 years, Prudential has been a rock for millions of people, enabling our customers and clients around the world to protect their lives' work and build financial security that lasts beyond their years. We're a company built on long-term promises, so we operate our business with that perspective: focusing on responsible, sustainable growth so we can be there for our customers, employees, and communities at life's most pivotal moments.

In service of this perspective, 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 approach requires Prudential to take a long-term view of risks and opportunities when making investment decisions for the General Account, which holds 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.

In March 2020, Prudential became the first U.S. insurance company to issue a green bond. Consistent with our Green Bond Framework, we committed to publishing an annual use of proceeds report. This fifth annual Green Bond Report highlights the allocation of proceeds, environmental performance, and project examples.

SUMMARY OF GREEN BOND FRAMEWORK

2020 GREEN BOND SUMMARY

ISSUER: PRUDENTIAL FINANCIAL, INC.

ISSUE DATE: MARCH 5, 2020

ISSUED AMOUNT: \$500 MILLION

INTEREST RATE: 1.5%

MATURITY DATE: MARCH 10, 2026

OUR FRAMEWORK IS ALIGNED TO U.N. SUSTAINABLE DEVELOPMENT GOALS



Clean Water and Sanitation



Affordable and Clean Energy



Sustainable Cities and Communities



Life on Land



Responsible Consumption and Production

[Prudential's Green Bond Framework](#) was developed in February 2020. It sets out the guidelines for Prudential's Green Bond issuances in accordance with the 2018 International Capital Markets Association ("ICMA") Green Bond Principles.

USE OF PROCEEDS AND IMPACT

KEY ELEMENTS

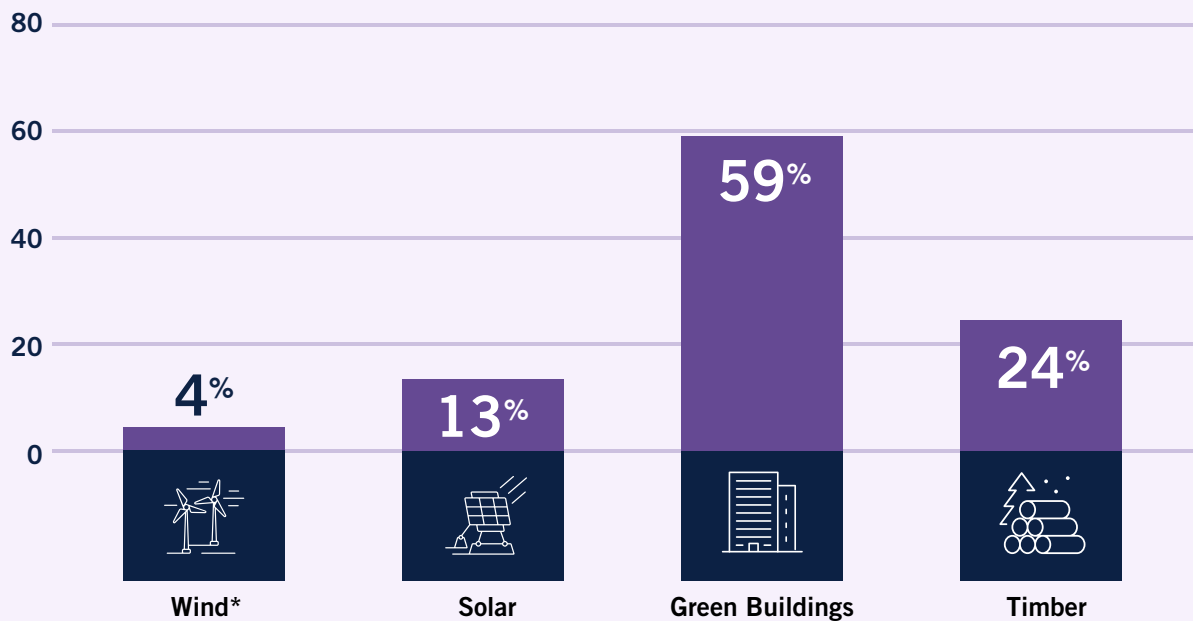
Use of Proceeds: Renewable Energy, Green Buildings, Environmentally Sustainable Management of Living Natural Resources and Land Use

Geography: United States and Canada

Management of Proceeds: All of the proceeds from the Prudential Green Bond remain fully allocated across three of the five eligible categories in the Framework as of March 2025: Renewable Energy (SDG 7), Green Buildings, (SDG 11), and Natural Resources (SDG 15). With the 2024 change in the Green Buildings portfolio, 18.8% of Prudential's Green bond assets are now allocated to 'new' assets that were originated after the March 2020 bond issuance date.

Estimated Environmental Benefit: 31,467 metric tons of avoided carbon dioxide emissions, or 63 metric tons CO₂ per \$1 million invested.


ALLOCATION BREAKDOWN BY SECTOR



FOOTNOTE

*Includes one wind project with a small amount of solar generation capacity. Notes are not split between the wind and solar facilities.

USE OF PROCEEDS AND IMPACT

Eligible Categories	Sub-Sector	Location	Investment Amount (\$M in BV)	% of Total	Prudential Share of Key Impact Metric Allocated to Green Bond	Prudential Share of Avoided CO ₂ Emissions Allocated to Green bond (mtCO ₂ e)
Renewable Energy						
 Affordable and Clean Energy	Wind*	U.S. and Canada	\$17.6	4%	22,116 <i>(energy generated in mWh)</i>	5,487
Renewable Energy						
 Affordable and Clean Energy	Solar	U.S.	\$67.4	13%	69,300 <i>(energy generated in mWh)</i>	22,931
Green Buildings						
 Sustainable Cities and Communities	Office	U.S.	\$199.6	40%	912,786 <i>(sq. footage)</i>	2,574
Green Buildings						
 Sustainable Cities and Communities	Multifamily	U.S.	\$93.8	19%	248,531 <i>(sq. footage)</i>	476**
Natural Resources						
 Life on Land	Timber	U.S.	\$121.6	24%	88,207 <i>(hectares)</i>	n/a
TOTAL			\$500.0	100%		31,467

FOOTNOTES

*Includes one wind project with a small amount of solar generation capacity. Notes are not split between the wind and solar facilities.

**Multifamily investment was originated March 2024, annualized impact calculation.

EXAMPLES OF PROJECTS



RENEWABLE ENERGY: NC 102 PROJECT LLC

- ▶ Solar project located in North Carolina
- ▶ Developed by Recurrent Energy, a subsidiary of Canadian Solar
- ▶ Installed capacity of 75 megawatts
- ▶ Estimated to power approximately 12,000 households
- ▶ In 2018, Prudential provided \$47.25 million in Senior Secured Fixed-Rate Term Notes, \$51.22 million in Senior Secured Floating-Rate Bridge Notes, and \$8.25 million in Senior Secured Floating-Rate Revolving Notes



GREEN BUILDINGS: 1101 NEW YORK AVENUE

- ▶ Located in Washington, D.C., built in 2007
- ▶ 12-story Class-A office building totaling 392,374 square feet
- ▶ First LEED Gold Certification in District of Columbia
- ▶ Energy Star certified building for energy-efficient operations and performance disclosure
- ▶ Owned by Oxford Properties Group
- ▶ Prudential provided \$186 million in acquisition financing



NATURAL RESOURCES: MENDOCINO REDWOOD COMPANY

- ▶ Owns approximately 224,000 acres of timberland located in the counties of Mendocino and Sonoma in California
- ▶ Forest Stewardship Council certified
- ▶ Prudential provided \$125 million refinance in 2019

METHODOLOGY

The Green Bond portfolio comprises \$514.1 million of total assets. For reporting purposes, we only show the impact of the \$500 million allocated green bond proceeds. This is done using a simple pro-rata allocation of impact across all securities in the Green Bond portfolio.

GREEN BUILDINGS

Avoided emissions are estimated using Energy Star's Energy Efficiency Ratio ("EER"), which compares a building's actual Energy Use Intensity ("EUI") versus the predicted energy usage. The difference between these figures is the EUI saved from the building being more energy efficient. This EUI saved is then converted to greenhouse gas ("GHG") emissions saved (kgCO₂e/ft²) using GHG Emissions Intensity data published by each municipality, which is an estimate of GHG emissions produced at each property. The GHG emissions saved are then scaled up for the size of each property (in square feet) to arrive at the total avoided emissions for each building.

RENEWABLE ENERGY

Avoided emissions are estimated using the annual project generation in megawatt hours apportioned to Prudential by our portion of the capital structure. For U.S.-based projects, avoided emissions are based on CO₂ emissions for fossil fuel projects in the state where the renewable project is located using U.S. Energy Information Administration (EIA) statistics. For Canada-based projects, avoided emissions are based on Canada's generation mix and International Renewable Energy Agency (IRENA) emissions data.

ENVIRONMENTALLY SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES AND LAND USE

Areas of underlying forestry of each loan provided by third-party certification.

EXTERNAL REVIEW

Sustainalytics, an independent provider of sustainability research to institutional investors, issued the second-party opinion on the Framework and its alignment with the Green Bond Principles. Sustainalytics has also reviewed this report and confirmed its alignment with the Green Bond Principles. The second Green Bond Report provides details on allocation of proceeds, impact of the portfolio, and examples of projects we have invested in.

INTRODUCTION

In March 2020, Prudential Financial, Inc. (“Prudential”) issued a green bond (the “2020 Green Bond”) and raised \$500 million to finance and refinance projects expected to generate positive environmental impacts. In February 2025, Prudential engaged Sustainalytics to review the projects financed with proceeds from the 2020 Green Bond (the “Nominated Expenditures”) and provide an assessment as to whether they met the use of proceeds criteria and whether Prudential complied with the reporting commitments in the Prudential Green Bond Framework (the “Framework”).¹ Sustainalytics provided a Second-Party Opinion on the Framework in February 2020.² This is Sustainalytics’ fifth annual review of the allocation and reporting of the instrument issued under the Framework, following previous reviews in March 2021, March 2022, February 2023³ and February 2024.

EVALUATION CRITERIA

Sustainalytics evaluated the Nominated Expenditures and Prudential’s reporting based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

FOOTNOTES

¹ Prudential, “Green Bond Framework” (2020), at: <https://prudential.scene7.com/is/content/prudential/PRU-Green-Bond-Framework>

² Sustainalytics, “Second-Party Opinion, Prudential Financial, Inc. Green Bond Framework,” (2020), at: https://prudential.scene7.com/is/content/prudential/PRU-Green-Bond-Framework_Second-Party-Opinion

³ Sustainalytics, “Prudential Financial, Inc. Annual Review” (2023), at: https://prudential.scene7.com/is/content/prudential/PRU-Green-Bond-Framework_Second-Party-Opinion

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Renewable Energy	<p>Investments and financing related to the acquisition, development, manufacture, construction, operation and maintenance, distribution and transmission of renewable energy (below the threshold of 100 gCO₂/kWh) such as:</p> <ul style="list-style-type: none"> ▶ Offshore and onshore wind ▶ Concentrated solar power ▶ Solar photovoltaic ▶ Tidal ▶ Geothermal ▶ Waste biomass 	<ul style="list-style-type: none"> ▶ Total installed capacity (MW) ▶ CO₂ emissions avoided (tCO₂e)
Green Buildings	<p>Investments and financing related to existing or new construction or renovation of residential and commercial buildings that have received, or are expected to receive, the following certifications based on their design, construction or operation plans:</p> <ul style="list-style-type: none"> ▶ Leadership in Energy and Environmental Design (LEED) Gold or Platinum, Energy Star (minimum of 75), Building Owners and Managers Association (BOMA BEST) Gold or Platinum, Building Research Establishment Environmental Assessment Method (BREEAM) Excellent or Outstanding (or equivalent internationally recognized standards). 	<ul style="list-style-type: none"> ▶ Floor space of green real estate (m²) ▶ CO₂ emissions avoided (tCO₂e)
Environmentally Sustainable Management of Living Natural Resources and Land Use	<p>Investments and financing related to activities that contribute to the sustainable management of living natural resources and land use as well as the natural ecosystem protection or restoration such as:</p> <ul style="list-style-type: none"> ▶ Environmentally sustainable agriculture certified by recognized third-party certifications, e.g., EU Organic, USDA Organic, Canada Organic or Rainforest Alliance; ▶ Sustainable forest management, including afforestation or reforestation, and certifications to recognized third-party standards, such as the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PEFC), and the Sustainable Forestry Initiative (SFI) which is affiliated with PEFC; ▶ Preservation or restoration of natural landscapes (i.e., the habitat is appropriate for the location and is maintained in good health). 	<ul style="list-style-type: none"> ▶ Total surface financed (hectares)

ISSUER'S RESPONSIBILITY

Prudential is responsible for providing accurate information and documentation relating to the details of the projects, including descriptions, amounts allocated and impact.

INDEPENDENCE AND QUALITY CONTROL

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from Prudential's 2020 Green Bond. The work undertaken as part of this engagement included the collection of documentation from Prudential and the review of said documentation to assess conformance to the Framework.

Sustainalytics relied on the information and facts presented by Prudential. Sustainalytics is not responsible, nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Prudential.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

CONCLUSION

Based on the limited assurance procedures conducted,⁴ nothing has come to Sustainalytics' attention that causes it to believe that, in all material respects, the Nominated Expenditures do not conform with the use of proceeds criteria and reporting commitments in the Framework. Prudential has disclosed to Sustainalytics that the proceeds from the 2020 Green Bond were fully allocated as of March 2020.

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of projects to determine alignment with the use of proceeds criteria outlined in the Framework.	The Nominated Expenditures comply with the use of proceeds criteria.	None
Reporting Criteria	Verification of projects or assets to determine if impact was reported in line with the KPIs outlined in the Framework.	Prudential reported on at least one KPI per use of proceeds category.	None

FOOTNOTE

⁴ Sustainalytics' limited assurance process includes reviewing documentation relating to the details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

APPENDIX 1: ALLOCATION REPORTING

Table 3: Allocation reporting for 2020 Green Bond

Use of Proceeds Category	Project Description	Number of Projects	Location	Allocated Amount (\$ million)
Renewable Energy	Solar energy projects	2	U.S.	\$67.4
Renewable Energy	Wind energy projects	2	U.S. and Canada	\$17.6
Green Buildings	Office building (LEED Gold and Platinum)	3	U.S.	\$199.6
Green Buildings	Multifamily building (LEED Gold)	1	U.S.	\$93.8
Environmentally Sustainable Management of Living Natural Resources and Land Use	FSC-certified sustainable forest management project	1	U.S.	\$121.6
Total Allocated Amount (\$ million)				\$500.0
Total Unallocated Amount (\$ million)				\$0
Total Net Proceeds Raised (\$ million)				\$500.0

APPENDIX 2: REPORTED IMPACT

Table 4: Reported Impact for 2020 Green Bond

Use of Proceeds Category	Project Description	Number of Projects	Location	Allocated Amount (\$ million)
Renewable Energy	Solar energy projects	2	U.S.	<ul style="list-style-type: none"> ▶ Generation capacity: 68,300 MW ▶ Avoided emissions: 22,931 tCO₂e
Renewable Energy	Wind energy projects	2	U.S. and Canada	<ul style="list-style-type: none"> ▶ Generation capacity: 22,116 MW ▶ Avoided emissions: 5,487 tCO₂e
Green Buildings	Office building (LEED Gold and Platinum)	3	U.S.	<ul style="list-style-type: none"> ▶ Floor space: 912,786 m² ▶ Avoided emissions: 2,574 tCO₂e
Green Buildings	Multifamily building (LEED Gold)	1	U.S.	<ul style="list-style-type: none"> ▶ Floor space: 248,531 m² ▶ Avoided emissions: 476 tCO₂e
Environmentally Sustainable Management of Living Natural Resources and Land Use	FSC-certified sustainable forest management project	1	U.S.	<ul style="list-style-type: none"> ▶ Area: 88,207 ha

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