



# 2024 CLIMATE-RELATED RISKS AND OPPORTUNITIES SUMMARY REPORT

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This report reflects a summary of our climate risk and opportunity assessment and management for the period January 1 to December 31, 2024. This report responds to the disclosure elements outlined within the Task Force on Climate-related Financial Disclosure (TCFD) 2017 Recommendations for which we have information that the Company believes may be useful to stakeholders in light of the Company's operations and financial outlook.

## ABOUT PRUDENTIAL

Prudential Financial, Inc. (NYSE: PRU), a global financial services leader and premier active global investment manager with approximately \$1.6 trillion in assets under management as of June 30, 2025, has operations in the United States, Asia, Europe, and Latin America. Prudential's diverse and talented employees help make lives better and create financial opportunity for more people by expanding access to investing, insurance, and retirement security. Prudential's iconic Rock symbol has stood for strength, stability, expertise, and innovation for 150 years. For more information, please visit [news.prudential.com](https://news.prudential.com).

The following Summary Report covers: Prudential Financial's business operations; Prudential's international and U.S. retirement and insurance businesses; the General Account which holds the assets that support Prudential's policyholder claims and benefits; and PGIM, the global asset management business of Prudential which provides investment management and advisory services to retail and institutional investors across public and private markets.

## GOVERNANCE

Disclose the organization's governance around climate-related risks and opportunities.

### KEY AREA

a) Describe the Board's oversight of climate-related risks and opportunities.

### 2024 DISCLOSURE

Prudential's Board of Directors oversight extends to Prudential's corporate strategy, risk management, human capital, sustainability, and corporate culture. The full Board receives reports from its committees on sustainability-related risks and opportunities, which allow Directors to contemplate these considerations when reviewing business decisions and strategic plans.

Prudential's Corporate Governance and Business Ethics Committee of the Board oversees the Company's overall ethical culture, political contributions, and lobbying expenses, as well as the Company's corporate social responsibility and environmental stewardship practices. This Committee reviews the priorities of the Sustainability Office and progress on Prudential's emissions reduction target at least annually. This Committee further reviews the Company's annual Sustainability Report, which includes commentary on our Environmental Stewardship practices, in advance of publication.

For additional information, review [Prudential's 2025 Proxy Statement](#) (pages 11 and 23) and the "Prudential's Board" and "Climate Oversight" sections of Prudential's [2024 Sustainability Report](#) (pages 26 and 44).

**KEY AREA**

b) Describe management's role in assessing and managing climate-related risks and opportunities.

**2024 DISCLOSURE****Executive Sustainability Committee**

The Company's Executive Sustainability Committee, comprising relevant senior leaders, oversees the Company's sustainability approach, including environmental stewardship and climate initiatives. In 2024, the Committee was co-chaired by Prudential's Vice Chairman and by its Executive Vice President, General Counsel & Chief Compliance Officer. This group is an evolution of the Company's Climate Change Steering Council, broadening its scope to oversight and decision-making for key sustainability topics including, but not limited to, climate initiatives. The Committee's Charter includes the responsibility of complementing risk management practices by discussing trends and dynamics surrounding relevant sustainability topics that may create significant impacts, risks and/or opportunities.

**Climate Change Task Force**

Prudential's Climate Change Task Force drives the development of analyses, policies and practices that underpin Prudential's climate change approach. The Task Force is responsible for advancing progress on discussion topics and escalating insights and recommendations when appropriate to the Executive Sustainability Committee. Prudential's Climate Change Task Force consists of representatives from multiple businesses and functional areas and is led by the Sustainability Office. The Task Force's Charter includes supporting risk owners with their assessments, ratings, and mitigation strategies.

**Sustainability Office**

The Sustainability Office facilitates close collaboration between Prudential's businesses and functions to help strengthen processes that deliver measurable results. It leads sustainability reporting, oversees progress toward sustainability ambitions, and partners with those leading sustainability initiatives in Prudential's international offices and within PGIM. The Vice President, Sustainability, within the Sustainability Office, is responsible for convening the Climate Change Task Force and Executive Sustainability Committee. The Sustainability Office's role includes maintaining an inventory of the Company's top sustainability risks and opportunities, including climate risk, and supporting internal awareness of sustainability risks.

**Group Sustainability Committee in Japan**

In July 2023, the Prudential Group in Japan established a Group Sustainability Committee led by the Group's Chief Operating Officer and supported by the Group Sustainability Management Office. The Committee brings together the relevant Senior Officers, the CEOs of the three operating companies within the Group, and relevant departments. The Committee's work is supported by three task force units dedicated to: climate change, human rights, and disclosures. Committee members meet at least quarterly and present to the Group Board as needed. The Committee regularly evaluates climate change impacts on the business, assessing both importance and likelihood, and has designated climate change response as a priority issue.

### **Sustainability Committee in Brazil**

In April 2023, Prudential of Brazil created a multidisciplinary Sustainability Committee sponsored by the People and Organization Development, External Affairs, Legal, Operations, Finance, Risk, and Compliance functions. The Committee's focus is on compliance with sustainability disclosure requirements proposed by the Brazilian Insurance Regulator SUSEP. In 2024, the Committee supported initiatives including climate change discussions, support for a Sustainability Policy, reviewing Sustainability Report content, and integrating ESG criteria into the Internal Control System and Risk Management structure.

### **Underwriting**

The Insurance Risk Management team, led by the Vice President & Actuary, is responsible for assessing and monitoring the insurance risk that actual experience deviates adversely from best estimate insurance assumptions. The Insurance Risk Management team advises on risks within new products and initiatives, develops Prudential's overall tolerance for insurance risk, and develops insurance stresses for the Risk Appetite Framework. Insurance Risk Management monitors mortality and morbidity events and trends. All causes of mortality and morbidity — including those potentially influenced by climate risk — are included in the annual experience review and assumption oversight process; however, mortality or morbidity events attributable specifically to climate risk are not separately identified nor documented.

### **Assets Owned and Managed on Behalf of the Enterprise**

The Chief Investment Officer (CIO) has primary responsibility for assessing and monitoring climate-related issues to inform decision-making related to investments. The CIO manages first-line climate-related investment risks alongside other investment priorities including overall investment performance, asset/liability management, portfolio construction, and investment strategy for Prudential's international and domestic business operations which includes investments to support climate change mitigation. The CIO also will review opportunities in sustainable investments that achieve market financial returns, protect against long-term secular trends, and reduce portfolio risk exposure. The CIO is supported by its asset managers, predominantly in PGIM, for credit and underwriting expertise, and Investment Risk Management, which provides second-line climate risk identification, monitoring, and support. The Chief Investment Officer reports directly to the Chief Executive Officer. Investment Risk Management is overseen by the Chief Risk Officer.

### **Assets Managed on Behalf of Others**

PGIM's President and CEO is the most senior governance and decision-making authority for ESG business and climate-related matters at PGIM and is advised by the executive leadership team which comprises leaders across PGIM. PGIM's Global Head of ESG, who chairs the PGIM ESG Council, provides regular updates on ESG/Sustainability and climate-related matters to PGIM's senior leadership.

Each of PGIM's investment managers is responsible for the governance and execution of its ESG approach and capabilities; however, cross-PGIM collaboration is achieved through the PGIM ESG Council. Climate-related risks and opportunities related to PGIM's assets managed on behalf of

## GOVERNANCE

others are discussed within the ESG Council and its Working Groups, including topics such as emerging climate-related regulatory requirements, improving the quality and decision relevance of climate data, and the evolving demand for products and capabilities.

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For additional information on Asset Management, see the “ESG Policy, Governance & Resources” section of PGIM’s [ESG Investing Report](#).

## STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is relevant.

### KEY AREAS

- a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.
- b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
- c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

### 2024 DISCLOSURE

#### Prudential's Vision and Strategy

Prudential's vision and strategy is to be a global leader in expanding access to investing, insurance, and retirement security. By investing in growth businesses and markets around the world, delivering industry-leading customer and client experiences that blend human touch with advanced technology, and creating the next generation of financial solutions, Prudential will serve the diverse needs of a broad range of customers and clients.

#### Risk Definition

Prudential manages risks at the enterprise level. Key factors that may present material risks to Prudential and its financial results, financial condition, businesses, operations and outlook are outlined in the "Risk Factors" section of the Company's Annual Report on Form 10-K. Prudential's risks include investment, market, insurance, capital and liquidity, model and operational risks, as well as strategic risks (risks that typically manifest over the medium-to-longer term and which could materially change the efficacy of our business model, requiring Prudential to make fundamental changes to what we do and/or how we do it in order to achieve our goals). The Company's strategic risks include talent, technological changes, the evolution of business models, evolving biometrics, climate change, and regulatory and other external risks.

The Company evaluates climate-related risks and opportunities over the short, medium and long term. While the time horizons differ by risk type, in general the enterprise considers the short term defined from 0 to 7 years, medium term from 7 to 20 years, and long term from 20 to 100 years. Prudential assesses the following climate-related risks and opportunities as outlined below:

### OPERATIONS

#### ► Physical Risk – Acute (short term):

- *Assessment:* Operational risks are evaluated and may be impacted by climate-related issues. For example, some Prudential facilities are located in areas prone to damage or loss-of-use due to severe weather events.

- *Examples of impact on planning:*

- ◆ Prudential maintains a Business Continuity Program designed to support our ability to serve customers during disruptions, including due to severe weather events. Our approach includes systematic identification of critical business processes, regular testing of recovery capabilities, and comprehensive planning for various impact scenarios. The program is overseen by the Enterprise Business Continuation Management Office supported by Business Continuity Officers across businesses and functions who work to help ensure plans remain viable and effective.
- ◆ As an example of a mitigant against financial losses from damage and loss-of-use due to severe weather in the facilities that Prudential owns and occupies in its global headquarters city of Newark, New Jersey and for the majority of other U.S. owned and leased locations managed by our Corporate Real Estate team where the Company has employees and operations, Prudential maintains a centralized property insurance program and insurance claims protocols, which are reviewed annually and managed by the Corporate Insurance team. Policies and practices vary outside the United States, as appropriate to those markets.
- ◆ Additionally, Prudential maintains a system for monitoring and tracking severe weather events and related expenses globally. We track weather-related incidents meeting our risk threshold through our Risk Event Reporting System. This systematic approach is designed to support both immediate response needs and long-term climate risk assessment.

- ▶ **Physical and Transition Risk – Supply Chain/Value Chain (short and medium term):**

- *Assessment:* Prudential may be subject to climate risk in our value chain.
- *Impact on strategy:* Prudential has been a CDP Supply Chain member since 2020, which helps the Company engage suppliers, pinpoint risks, and identify opportunities. From 2022 to 2024, we engaged with our top vendors based on potential environmental impact and material spend.

- ▶ **Opportunity – Energy Source and Energy Efficiency (short and medium term):**

- *Assessment:* Prudential assesses opportunities to reduce its emissions by analyzing favorable energy efficiency measures and energy source alternatives, among other considerations, as part of our effort to realize cost savings.
- *Examples of impact on planning:*
  - ◆ Since May 2023, Prudential sourced renewable electricity from a national grid of windfarms to replace its full Newark, New Jersey campus electricity load — consisting of its headquarters and five other locations, significantly reducing our Scope 2 market-based emissions. These credits account for 43,238 MWh in averted energy consumption from nonrenewable sources in 2024, our first full year of sourcing 100% renewable electricity.
  - ◆ In 2024, the Prudential Group of Japan sourced renewable energy from biomass, solar and wind for one of its customer centers. This customer center receives renewable electricity as part of a wider solar power generation reconstruction project in Namie Town, which was severely damaged in the 2011 Great Tohoku Earthquake.

- ◆ In 2024, Prudential began investing in energy-efficient capital improvements for owned properties including energy-efficient chillers for our Newark properties. We plan to disclose updates in future reports.

## UNDERWRITING

### ▶ Transition Risk – Market (long term):

- *Assessment:* Over the long term, mortality rates may be affected by climate change. This can come from direct impacts of climate change such as increasingly severe weather and air pollution, as well as indirect impacts including food shortages, the spread of diseases, human migration, and even economic activities which support health and longevity.
- *Example of impact on planning:* Prudential considers a range of information available regarding climate change's impact on morbidity and mortality as it relates to the life insurance industry in our markets. The Insurance Risk Management team monitors the direct and indirect impact of climate change on mortality and morbidity. To date, there is limited loss history at Prudential attributable to climate change, and third-party quantifiable information on climate change's impact on morbidity and mortality relevant to our core markets is also limited. As more internal and external data become available, Prudential expects to enhance its quantitative analysis of climate-related risks and integrate these insights into future planning and assumption-setting processes.

## ASSETS OWNED AND MANAGED ON BEHALF OF THE ENTERPRISE

### ▶ Transition Risk – Market (medium term):

- *Assessment:* The potential disruptions from a changing climate may expose our investment holdings to physical damages due to extreme weather events, or to substantive changes in business models in the evolution toward a low-carbon economy. In addition, changing climate regulations may affect the future outlook of the entities in whose securities we invest. The Risk Management team focuses on identifying and analyzing existing and emerging risks, including climate-related risks, through an investment and market risk lens, and communicating these findings to internal stakeholders.
- *Example of impact on planning and resilience:* The General Account employs both quantitative and qualitative analysis to evaluate the portfolio's resilience to climate-related risks and determine its capacity to capitalize on transition-related opportunities. In 2024, Risk Management focused on the development of a quantitative climate risk framework that leverages third-party climate data and proprietary tools to assess both current and potential climate-related risks to our General Account portfolio for asset classes for which data is available, including public corporate debt, public equity, and sovereign debt. This includes a Delayed Transition "base case" scenario and one aligned with increased physical risks. The framework aids in identifying pockets of risk within the portfolio and guides further qualitative analysis, in line with our comprehensive assessment of emerging portfolio risks. This analysis complements our existing qualitative evaluation of portfolio areas most likely to be significantly impacted by climate change, providing valuable insights for discussions with relevant stakeholders throughout the organization.

**▶ Physical Risk – Acute and Chronic (short and long term):**

- *Assessment:* The General Account commercial mortgage loan portfolio could be exposed to acute and chronic risks including rising sea levels and increased nuisance flooding.
- *Example of impact on planning:* Currently, the risks are limited by our conservative investment approach, selective underwriting, flood insurance requirements, and geographic concentration limits. The General Account reviewed the commercial mortgage loan portfolio, using an analysis of rising sea levels and increased nuisance flooding, to assess the exposure of our current real estate portfolio to sea level rise impacts and inform future commercial real estate investments. The analysis was used to assess the exposure of the current real estate portfolio to sea level rise impacts and inform future investments.

**▶ Opportunity – Markets (medium term):**

- *Assessment:* The General Account pursues sustainable investments in a variety of asset classes when returns are appropriate. Most prominently, the Company has invested in renewable energy, green bonds, and commercial mortgage investments secured by buildings with green certifications.
- *Example of impact on planning:* The General Account holds \$39.6 billion of sustainable investments that aim to promote sustainability and achieve market returns to support our policyholder obligations, of which \$17.6 billion are green investments. Please see the “Investing Sustainably” section of our Sustainability Report for more details.

**ASSETS MANAGED ON BEHALF OF OTHERS****▶ Transition Risk – Market (short, medium and long term):**

- *Assessment:* PGIM takes a proactive approach to understanding and responding to economically material investment considerations arising from climate-related factors. Being an active investment manager, we consider that climate-related risks may be reflected in market prices and asset valuations and therefore consider short-term and longer-term risks and evaluate the most likely risk channels for the assets we manage on behalf of our clients. This can vary depending on an asset’s industry, geography of operations, and/or specific circumstances, as well as the asset class and time horizons involved. For real assets, the physical risks associated with climate change can be economically significant and, as such, are integrated into investment analysis.
- *Example of impact on planning:* Across PGIM, we continue to invest in data and analytical tools to undertake climate-related analysis of economically material transition risks in a way that is most appropriate to the respective asset class and investment process. Across asset classes, we leverage these tools, in combination with forward-looking ESG risk metrics that may have greater relevance to active risk and opportunity management, while recognizing that such metrics are comparatively less developed at this stage. For this reason, some investment teams are increasingly turning to bespoke tools for forward-looking research and analysis, such as the holistic assessment of the transition readiness of issuers, or the alignment of corporate transition plans with country policy frameworks.

▶ **Opportunity – Markets, Products & Services (short, medium and long term):**

- *Assessment:* For PGIM's clients who are interested in investment strategies and products that exhibit certain ESG/Sustainability features or explicitly mandate PGIM to pursue ESG/Sustainability objectives alongside financial returns objectives, PGIM has developed a range of carefully designed strategies and a variety of tools, analytical frameworks, research, and assessment methodologies to help implement those clients' chosen ESG/Sustainability preferences or objectives.
- *Examples of impact on planning and resilience:* While respective approaches to facilitating client-specific ESG/Sustainability goals differ among asset classes, they generally include the following: (1) screening capabilities to identify issues that matter to our clients; (2) analytical frameworks, research, assessment methodologies, and investment products focused on environmental/social impacts of investments; and (3) where appropriate for a particular client, investment strategies aimed at promoting environmental and/or social sustainability.
- Selected examples include:
  - ◆ Our Fixed Income team offers a proprietary ESG Impact Ratings framework for use by clients who wish to consider the impact that investments have on the environment and society. It assesses issuers' positive impacts as well as how they reduce (or plan to reduce) negative impacts. Investors seeking positive environmental and social outcomes alongside financial returns may wish to use this framework in portfolio construction to avoid issuers with negative environmental and social impacts and/or tilt toward issuers with more positive impacts. The Fixed Income team has also developed a proprietary tool for assessing the net zero maturity and readiness of corporate investees. The tool brings together multiple data points — both forward-looking and backward-looking — pulled from multiple data sources to assess issuers' targets and performance on emissions reductions and readiness to present a more accurate reflection of how a company's climate actions align with various temperature scenarios.
  - ◆ PGIM's fundamental equity manager, Jennison Associates, has developed a thematic investment strategy that includes companies that enable decarbonization. Jennison's approach to finding opportunity in the global transition to a low-carbon economy brings a long-term perspective to understanding carbon emissions and focuses on Scope 4 emissions, known as avoided emissions. Unlike traditional decarbonization approaches that focus on direct and indirect emissions (Scopes 1-3), Jennison's approach, which is grounded in the conviction that the low-carbon transition will be a multi-decade process, includes a consideration of the avoided emissions (Scope 4) in its analysis, which can provide crucial but often overlooked insights into the global transition to a low-carbon economy.
  - ◆ PGIM's quantitative equity team leverages its quantitative research and modeling expertise to offer bespoke solutions to clients seeking to optimize specific sustainability attributes within portfolios, such as carbon emissions or water usage.
  - ◆ The Private Credit team strives to provide investment solutions based on specified client objectives and guidelines, always prioritizing their best financial interests. They seek to understand clients' investment objectives, parameters, risk/return expectations, time horizons, as well as any specific ESG preferences.

- ◆ The Real Estate team views sustainability as a contributing factor to long-term value preservation and creation across asset classes. The team utilizes the holding period of its direct investment to integrate sustainability factors into decision-making. Given its private real estate debt strategies do not typically have the equity-style rights to address investment risks post-closing, the team’s sustainability integration focuses on evaluating risks through pre-investment due diligence and active monitoring during the holding period. As a long-term asset class with fixed asset locations, real estate is especially vulnerable to physical and transitional climate risks. The Real Estate team is therefore committed to managing climate risks, focusing on improved governance, better tools to make informed decisions, and greater asset resilience, at both investment and during ownership.

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For additional information, review the “Environmental Stewardship,” “Investing Sustainably,” “General Account,” and “PGIM” sections in Prudential’s [2024 Sustainability Report](#); the “Public Fixed Income” and “Private Alternatives” sections in PGIM’s [ESG Investing Report](#); the [Responsible Investing Policy](#); and the [Annual Report on Form 10-K](#).

Disclose how the organization identifies, assesses and manages climate-related risks.

### KEY AREA

a) Describe the organization's processes for identifying and assessing climate-related risks.

#### 2024 DISCLOSURE

Prudential's risk management framework provides a common approach to identifying and evaluating the risks embedded in and across our businesses, including climate risk. The Company conducts risk identification through several processes at the business unit, corporate, senior management and Board levels to provide a "top-down" and "bottom-up" view of risk. The results of these processes are transparently available to leaders across the enterprise to aid decision-making. Equally important is the risk governance structure's responsiveness to changing demands, which allows the Company to elevate issues and trigger change as needed. Risk frameworks are assessed regularly, and updates are made to the frameworks as deemed necessary.

Prudential works to develop a comprehensive understanding of the risks to its business and their interdependencies. The process of risk identification, prioritization and assessment builds on Prudential's comprehensive risk inventory. A risk can have an impact at the product, business and enterprise levels, and these considerations and their range of outcomes through a variety of stresses are the focus of Risk Management as well as the enterprise. Prudential approaches climate risk in the same way by assessing the impact of short-, medium- and long-term climate outcomes on its overall risk profile.

Climate-related risks have outcomes that can be present in all risk types. Prudential's approach is to consider climate risks and potential outcomes across risk types in the context of Prudential's existing risk management framework. Risk Management ensures that the organization is following established best practices for risk identification, analysis and disclosure, while also exploring new avenues for internally developed climate risk analysis and stress testing tools.

#### ASSETS OWNED AND MANAGED ON BEHALF OF THE ENTERPRISE

Prudential maintains disciplined asset liability management that requires constructing high-quality investment portfolios comprising assets that support the liability profile of the Company's products and obligations. As part of this, the Chief Investment Office takes a comprehensive, long-term approach to risk assessment and value creation when making investment decisions for the General Account. This includes the evaluation of factors, including material ESG factors, that may materially impact investment performance across each asset class in which the Chief Investment Office invests, and incorporates emerging factors into investment decisions where reliable data exist. Prudential's approach to ESG integration and responsible investment in the General Account is governed by the Chief Investment Office's Responsible Investing Policy, first published in November 2021 and most recently updated in October 2023. This policy supports the consistent integration of risk assessment in General Account investment decisions. Prudential acknowledges climate change as a risk factor in certain investments requiring prudent portfolio management. The General Account assesses its Scope 3 financed emissions, where quality data exist, to help understand and evaluate climate risk exposure, including energy transition risks given our long-term liabilities.

### ASSETS MANAGED ON BEHALF OF OTHERS

PGIM has implemented specific processes to identify and assess ESG/Sustainability risks, including climate-related risks, relevant to their asset class. As an active investment manager, this generally starts with bottom-up investment-level research and, where relevant, may be supplemented with internal or third-party ESG research expertise and/or data and, if relevant, engagement with relevant stakeholders to assess the extent of vulnerability to climate risks and measures being taken to mitigate them. PGIM's teams evaluate the most likely risk channels for the assets they manage on behalf of their clients.

For additional information, review the "Anticipating and Managing Risks" section of Prudential's [2024 Sustainability Report](#) and the "ESG Research & Investment Processes" section of PGIM's [ESG Investing Report](#).

### KEY AREA

b) Describe the organization's processes for managing climate-related risks.

### 2024 DISCLOSURE

#### Risk Management Processes

Prudential uses a Three Lines of Defense model of risk management, inclusive of climate-related risk management, in which the businesses are the primary, or first line, responsible for understanding, assessing, and taking steps to mitigate and manage risk. Each business has a risk governance structure and embedded risk team that is supported by a common framework at the enterprise level.

While having different roles, responsibilities and scope, Risk Management and Compliance together act as the second line, further strengthening Prudential's management of risk by providing advice, effective challenge, oversight of management activities, and testing and assessing the effectiveness of first-line controls, as well as training, where applicable. Risk Management, led by the Chief Risk Officer, oversees risks under the guidance of the Executive Risk Committee and Enterprise Risk Management Council. Additionally, Risk Management works with Prudential's businesses and corporate centers to identify, monitor and manage risks that Prudential may face. The second line also provides assessment and testing (where applicable) of the effectiveness of first-line controls.

The Internal Audit Department acts as the third line of defense through monitoring and testing with the aim that the other lines of defense are well-designed and operating as intended. Internal Audit assesses whether the organization's governance, risk management, and control processes, as designed, implemented and monitored by management, are adequate and functioning. Processes are balanced across Prudential's Three Lines of Defense to strengthen how risk management is performed across the Prudential enterprise, with the goal of increasing efficiency and enhancing the overall customer and employee experience, while continuing to fulfill the individual mandates of each of the three control functions.

### **Managing Operating Risks**

Operational risks, including climate-related risks, are managed through Prudential's Operational Risk Management (ORM) Framework and Compliance Risk Management Program. Each risk function, as outlined in their respective frameworks/programs, has the responsibility to conduct Risk and Control Self Assessments (RCSAs), where operational risks are identified and mitigating controls are referenced, as appropriate. These assessments serve to monitor the design and operating effectiveness of the first-line risk and control environment. Additionally, annual macro-risk assessments are performed by businesses and functions which helps rate the area's inherent and residual risks. The results of the risk assessments and other operational risk initiatives and topics are discussed quarterly during Operational Risk Committee meetings. It is at those meetings where decisions are made to mitigate, transfer, accept or control material risks.

### **Managing Risks Associated with the Assets Owned and Managed on Behalf of the Enterprise**

The General Account's approach to understanding and managing climate-related risks and opportunities includes:

- ▶ Identifying significant physical and transition climate risks.
- ▶ Integrating available climate data into the investment risk monitoring and reporting process including KPIs such as financed emissions and transition pathways.
- ▶ Assessing stranded asset risk for the corporate bond and public equity portfolio.
- ▶ Requiring quarterly attestation from its asset managers that they have complied with the Company's Responsible Investing Policy.

### **Managing Risks Associated with Assets Managed on Behalf of Others**

Across PGIM, the approach to managing climate-related risks and opportunities will differ in implementation depending upon the asset class and may include the following:

- ▶ Identifying material physical and transition climate risks in relation to our investments.
- ▶ Conducting investment-level analysis and, where needed, engaging with relevant stakeholders to assess the extent of vulnerability to climate risks and measures taken to mitigate them.
- ▶ Identifying investment opportunities related to the reduction of carbon emissions and facilitating the transition to a low-carbon economy, as well as building climate change resilience across different sectors and geographies.
- ▶ Integrating certain available climate data in the investment risk monitoring and client reporting processes where this is considered decision-useful or where requested by underlying clients.

Management of the climate risks to the assets we manage on behalf of our clients sits with the relevant investment teams and investment risk functions which bring expertise in the specific risks and opportunities of the asset classes they manage.

### KEY AREA

c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.

### 2024 DISCLOSURE

Prudential is currently refining capabilities that grow its ability to manage sustainability risks across the short-, medium- and long-term horizons. In addition, Risk Management has integrated climate risk analysis and management into Prudential's existing risk management framework.

#### **Integrating Operating Risks**

Operational Risk leaders have integrated sustainability considerations into their routine assessment of non-financial risks, along with incorporating sustainability issues, including climate-related issues, into our risk taxonomy. In addition, control partners are working to identify opportunities to directly assess sustainability-related risks. Across risk stripes, Enterprise Risk Management is working to identify, assess and document its sustainability risks, including climate-related risks.

#### **Integrating Underwriting Risks**

Prudential monitors mortality trends and updates mortality assumptions across our domestic and international life and retirement markets. Losses driven by extreme climate events are part of experience data and are included in the assumption review as appropriate. The Insurance Risk team monitors climate-related risk exposure and considers it as a driver of mortality volatility on the population level for mortality trend monitoring and mortality stress testing.

#### **Integrating Asset Ownership Risks into Enterprise Risk Management**

The Risk Management team actively monitors existing and emerging risks to the General Account (GA) portfolio using both qualitative and quantitative assessments. In 2024, the team constructed a quantitatively based climate risk analytical framework to evaluate current and potential risks to the portfolio for certain asset classes, including public corporate debt, public equity, and sovereign debt, in various climate scenarios. This framework helps identify risk areas within the portfolio and guides additional qualitative analysis, aligning with our comprehensive assessment of emerging portfolio risks. Climate-related considerations are integrated into Prudential's Responsible Investing Policy framework that relates to the GA's investing activities. As an asset owner, Prudential also integrates consideration of climate-related risks when determining investments for its GA.

#### **Integrating Asset Management Risks into Enterprise Risk Management**

PGIM has established and implemented risk management policies and procedures. These identify the risks which relate to PGIM's activities, processes and systems. PGIM's risk management processes which include climate risks are integrated into the general investment risk framework. ESG-related enterprise and operational risks to PGIM are monitored by the Operational Risk Management team in collaboration with risk management teams across PGIM's businesses. The Operational Risk Management team provides updates to senior leadership on significant and relevant sources of risk, which may include climate-related risks. In addition, this team maintains a register of emerging sources of risk ("Risk Watchlist"), including relevant climate risks.

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For additional information, review the "Anticipating and Managing Risks" section of Prudential's [2024 Sustainability Report](#) and PGIM's [ESG Investing Report](#).

## METRICS & TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is relevant.

### KEY AREA

a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

### 2024 DISCLOSURE

#### OPERATIONS

Acute physical risks are assessed by evaluating the financial implications and costs associated with business interruption. Prudential has business continuity (BC) plans and testing protocols to support the timely recovery of its majority-owned operations. These BC plans are supplemented by external commercial insurance programs, including Property coverage for fire, windstorm, flood and earthquake exposures. These exposures, program limits, and deductibles are reviewed annually at our Executive Risk Committee and authorized by our Chief Financial Officer.

#### UNDERWRITING

The Insurance Risk Management team reports on the overall risk profile and escalates risk issues to senior management, the Board, and applicable risk committees.

#### ASSETS OWNED AND MANAGED ON BEHALF OF THE ENTERPRISE

Prudential uses third-party data and public data to assess emissions trajectories of our public corporate and public equity portfolios, incorporating issuer transition plans into portfolio assessment. Additionally, third-party data in conjunction with proprietary data are used to evaluate risk concentrations across the General Account portfolio in various climate scenarios.

In addition to the climate data used for internal investment analysis, to track progress on risk integration, the General Account utilizes an internal framework to help standardize the assessment of these factors across a multi-asset class portfolio. This framework allows us to identify, track and monitor these risks, including material ESG risks, over time to understand their potential impact on long-term portfolio returns. This framework now covers 80% of General Account assets under management in 2024, up from 72% in 2020.

#### ASSETS MANAGED ON BEHALF OF OTHERS

PGIM uses a variety of approaches and metrics to assess climate-related risks and opportunities. Depending upon the asset class, the analysis of climate-related information may influence decision-making with regard to the investment theses, internal ratings, relative value assessments, asset-level risk assessments, and portfolio weightings. To inform their analyses, PGIM's investment teams have access to and use a range of climate metrics from different data providers. Some metrics, such as emissions data (Scope 1, 2 and 3), carbon intensity and carbon footprint, are generally more available and have better-defined methodologies, and thus are helpful with assessing transition risks.

## METRICS & TARGETS

While PGIM's investment teams have access to top-down climate models, they find the most decision-useful information comes from investment-level analysis, combining climate data with company information and fundamental analysis. Company engagement is often another useful source of information on forward-looking capital and operational and strategic plans and targets in relation to climate factors, and PGIM's investment teams often incorporate information gathered into their investment analysis and decision-making processes.

Common challenges in relation to climate metrics include limited geographical or asset class coverage in key areas. PGIM's investment teams often undertake additional analysis to address gaps in coverage, whether through engagement with investees or vendors, internal estimation, or aggregation across a range of data sources. For example, internal research from our quantitative equity team has enabled it to address challenges associated with diverse types of data and metrics. By leveraging quantitative approaches, the team synthesizes this data into a proprietary score for each company being considered for investment.

Exposure to physical climate risks is particularly relevant to location-specific assets such as real estate, and the real estate team's asset risk assessment framework is based on a scenario analysis that considers the impact of a comprehensive set of stressors on a range of various sustainability metrics. To anticipate and manage future risks and opportunities, the real estate team seeks to identify, measure, evaluate and manage investment, market, insurance, liquidity and operational risks individually and in aggregate. This robust stress-testing process examines the sensitivity of long-term obligations and resources to possible financial, operational and behavioral risks.

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For additional information, review the "Environmental Stewardship" and "General Account" sections of Prudential's [2024 Sustainability Report](#). For additional information on Asset Management, see the "ESG Research & Investment Processes" section of PGIM's [ESG Investing Report](#).

**KEY AREA**

b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

**2024 DISCLOSURE****Prudential's Scope 1 & 2 Greenhouse Gas Emissions (tCO<sub>2</sub>e) for the Subset of Facilities Selected for Reporting**

Prudential reports greenhouse gas (GHG) emissions for a limited set of core corporate properties, data centers, and garages in the United States, Japan and Brazil, our three largest markets by revenue contribution and employee count. These core facilities, representing a subset of our total enterprise emissions, were chosen based on a combination of factors such as direct facility management oversight, significant square footage, and headcount. Due to our prioritization of properties over which we had the greatest control, the emissions reported are currently not inclusive of Prudential Financial's total operational emissions footprint. Efforts are underway to expand our reporting boundary. We expect to report our emissions using the updated boundary in our 2025 Sustainability Report, to be published in 2026, as part of our sustainability disclosures covering the 2025 calendar year activities.

Prudential engaged a third-party verifier, ERM CVS, to review and provide limited assurance for the following data for the subset of facilities selected by the Company for reporting: 2024 Scope 1 GHG emissions, 2024 Scope 2 GHG emissions (market- and location-based), 2024 Scope 1 and 2 GHG emissions by country (market- and location-based), and 2024 Scope 3 GHG emissions from business travel (U.S., Japan and Brazil employee business travel encompassing a combination of actuals and spend data from commercial air transport, intercity rail, employee mileage reimbursements, public transit, rental cars and hotel stays).

## METRICS & TARGETS

### Prudential's Scope 1 & 2 Greenhouse Gas Emissions (tCO<sub>2</sub>e) for Reported Facilities<sup>1,2</sup>

GHG EMISSIONS	% CHANGE 2023 TO 2024	2024	2023	2022	2017
Scope 1	7%	13,609	12,776	13,347	20,349
Stationary	8%	8,567	7,926	8,496	13,674
Mobile	10%	3,640	3,300	2,752	5,527
Fugitive	-10%	1,402	1,550	2,099	1,148
Scope 2 (market-based)					
Purchased Energy	-45%	9,307	16,884	29,226	74,036
Scope 2 (location-based)					
Purchased Energy	-24%	19,999	26,236	29,729	50,193
<b>TOTAL SCOPE 1 &amp; 2</b>					
Scope 1 & 2 (market-based)	-23%	22,916	29,660	42,573	94,385
Scope 1 & 2 (location-based)	-14%	33,608	39,012	43,076	70,542

### Prudential's Greenhouse Gas Intensity (tCO<sub>2</sub>e/sq ft and tCO<sub>2</sub>e/million revenue dollars) for Reported Facilities<sup>1</sup>

INTENSITY	% CHANGE 2023 TO 2024	2024	2023	2022	2017
Scope 1 & 2 (market-based, tCO <sub>2</sub> e/sq ft)	2%	0.0049	0.0048	0.0068	0.0117
Scope 1 & 2 (market-based, tCO <sub>2</sub> e/million revenue dollars)	-40%	0.33	0.55	0.75	0.16

<sup>1</sup>Data shown are for facilities encompassing a set of home office properties, data centers, and garages in the United States, Japan, and Brazil chosen based on a combination of factors such as direct facility management oversight, significant square footage, and headcount.

<sup>2</sup>Scope 1 emissions increased due to more employees returning to the office from remote work, leading to increases in stationary and mobile emissions.

## METRICS & TARGETS

### Prudential's Operating Scope 3 Greenhouse Gas Emissions (tCO<sub>2</sub>e)

Refer to the “Emissions Calculations Methodology and Inventory Management Plan” section within “Detailed Emissions Data” in Prudential's [2024 Sustainability Report](#) for specifics on how our Scope 3 data were calculated, including any notable data exclusions. Reported Scope 3 emissions include:

- ▶ Category 1 – Purchased goods and services: U.S. operations only
- ▶ Category 3 – Fuel and energy-related activities (FERA): Limited to facilities in our emissions reduction target
- ▶ Category 5 – Waste generated in operations: Limited to facilities in our emissions reduction target
- ▶ Category 6 – Business travel: U.S., Japan and Brazil (combination of actuals and spend data from commercial air transport, intercity rail, employee mileage reimbursements, public transit, rental cars and hotel stays)
- ▶ Category 7 – Employee commuting and work-from-home: U.S., Japan and Brazil

### Scope 3 Operational Emissions (tCO<sub>2</sub>e)

GHG EMISSIONS	2024	2023	2022	2017
Cat 1 Purchased Goods & Services	160,391	306,056	307,239	–
Cat 3 FERA	6,393	10,250	14,042	18,247
Cat 5 Waste in Operations (estimated)	983	989	253	–
Cat 6 Business Travel	56,089	64,925	14,825	11,352
Cat 7 Employee Commute/Work from Home	31,685	27,880	17,333	–
<b>TOTAL</b>	<b>255,541</b>	<b>410,100</b>	<b>353,692</b>	<b>29,599</b>

For additional information, including details on limited assurance, review the “Reducing Our Emissions” and “Independent Limited Assurance Report” sections of Prudential's [2024 Sustainability Report](#).

### KEY AREA

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

### 2024 DISCLOSURE

#### OPERATIONS

#### **Progress Toward Prudential's Emissions Reduction Targets (tCO<sub>2</sub>e) for the Subset of Facilities Selected for Reporting**

In 2021, Prudential set a partial Scope 1 & 2 emissions reduction target to be net zero by 2050, limited to the core properties, with interim targets to reduce GHG emissions 55% by 2030 and 97% by 2040 from our 2017 baseline year, and to achieve carbon neutrality for the aforementioned subset of facilities by 2040. In 2024, Prudential reduced our operational emissions by 76% since our 2017 baseline year for the facilities in our emissions reduction targets as part of our effort to drive cost efficiencies.

#### **ASSETS MANAGED ON BEHALF OF OTHERS**

In May 2021, PGIM Real Estate committed to the goal of net zero by 2050 across landlord-controlled operational carbon emissions (Scope 1 & 2). This commitment is aligned with the Urban Land Institute's (ULI's) Greenprint Net Zero by 2050 Goal.<sup>1</sup> The Real Estate team regards its net zero commitment as an integral component of its fiduciary obligations to deliver long-term value to clients.

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<sup>1</sup>For more information on the Greenprint ULI Net Zero by 2050 Goal, please see the ULI website: <https://americas.uli.org/research/centers-initiatives/uli-randall-lewis-center-for-sustainability-in-real-estate/membership/uli-greenprint-goals/>. Accessed May 2025.

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For additional information, review the "Detailed Emissions Data" and "Independent Limited Assurance Report" sections of Prudential's [2024 Sustainability Report](#). For additional information on Asset Management, see PGIM's [ESG Investing Report](#).

## FORWARD-LOOKING STATEMENTS AND OTHER DISCLAIMERS

### NOTES

Prudential's TCFD disclosure covers the period of January 1 to December 31, 2024. As appropriate, developments occurring in early 2025 may be referenced and may be more fully developed in subsequent disclosures. Prudential engaged a third-party verifier, ERM CVS, to review and provide limited assurance for the following data for the subset of facilities selected by Prudential for reporting: 2024 Scope 1 GHG emissions, 2024 Scope 2 GHG emissions (market- and location-based), 2024 Scope 1 & 2 GHG emissions by country (market- and location-based), and 2023 Scope 3 GHG emissions from business travel, with exceptions as noted in the [2024 Sustainability Report](#).

### DISCLAIMERS

The information provided in this disclosure reflects Prudential's approach to Sustainability as of December 31, 2024 and is subject to change without notice. This report is intended to highlight some of Prudential's sustainability efforts during the relevant time period; it is not a comprehensive description or representation of all of Prudential's sustainability activities during that time. We do not undertake to update any of such information in this disclosure. Any references to "sustainable investing," "sustainable investments," "ESG," or similar terms in this disclosure 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. Our approach to inclusion of disclosures in this TCFD disclosure is different from disclosures included in mandatory regulatory reporting, including under Securities and Exchange Commission (SEC) regulations. While this disclosure describes events, including potential future events, that may be significant, any significance does not necessarily equate to the level of materiality of disclosures required under U.S. federal securities laws. Numbers and percentages used in this disclosure are estimates or approximations and may be based on assumptions. The goals, targets and commitments discussed in this disclosure are aspirational and not guarantees or promises that they will be met. No reports, documents or websites that are cited or referred to in this document shall be deemed to form part of this disclosure. Prudential is not responsible for the information contained on third-party websites, nor do we guarantee their accuracy and completeness.

### FORWARD-LOOKING STATEMENTS

Certain of the statements included in this disclosure, including those regarding our sustainability plans, goals, targets and commitments, initiatives, risks and opportunities, constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are made based on management's current expectations and beliefs concerning future developments and plans and their potential effects upon Prudential Financial, Inc. and its subsidiaries. All statements other than statements of historical fact could be forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance, and are subject to certain risks, uncertainties, and other factors, many of which are beyond our control and are difficult to predict. Prudential Financial, Inc.'s actual results may differ, possibly materially, from expectations or estimates reflected in or implied by such forward-looking statements. Certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements can be found in the "Risk Factors" and "Forward-Looking Statements" sections included in Prudential Financial, Inc.'s SEC filings, including our most recent Annual Reports on Form 10-K and subsequent Quarterly Reports on Form 10-Q and current reports on Form 8-K. Statements regarding our ESG initiatives are subject to the risk that we may be unable to execute our strategy because of market or competitive conditions or other factors. Moreover, the standards of measurement and performance contained in this disclosure are developing and based on assumptions, and no assurance can be given that any plan, initiative, projection, goal, commitment, expectation or prospect set forth in this disclosure can or will be achieved. Except as required by law, Prudential Financial, Inc. does not undertake to update any particular forward-looking statement included in this document as a result of future events or otherwise.