SUSTAINABILITY & STEWARDSHIP REPORT
YEAR ENDING 2025

POLICY & CONTEXT DISCLOSURES

Published July 2026

CONTENTS

ABOUT THIS REPORT

This Policy & Context report describes our approach to sustainability and stewardship, structured to distinguish between firm-level governance, policies and processes, and asset-class-specific implementation. Illustrative examples are included, with detailed engagement activities and outcomes reported separately in PGIM's Activities & Outcomes Report. The Policy & Context and Activities & Outcomes Reports serve as PGIM's disclosures for applicable stewardship codes including the UK Stewardship Code 2026.

ABOUT PGIM

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ABOUT US

PGIM is the global asset management business of Prudential Financial, Inc. (PFI)[1] built on a 150-year legacy of strength, stability, and disciplined risk management across more than 30 market cycles. As of December 31, 2025, PGIM managed USD1.466 trillion (GBP 1.089 trillion) in assets and offers clients active management, custom research, and client-focused solutions with global depth and scale across public and private markets including fixed income, fundamental and quantitative equities, real estate and alternatives. We serve retail and institutional clients worldwide, operating in 20 countries across 37 offices, with more than 1,500 investment professionals.[2]

Deep asset class expertise across private and public markets [3]

PGIM
$1.466tr AUM

Public Fixed Income	Public Equity	Real Estate	Private Credit	Multi-Asset
$903bn	$223bn	$134bn	$127bn	$79bn
Investment grade, leverage, emerging markets, municipals, securitisations, money markets and sovereigns	Fundamental and quantitative equity and real estate securities	Direct real estate equity, real estate mortgages, agriculture	Private credit, private equity and credit secondaries	Strategic and tactical asset allocation, strategic portfolio construction and asset liability management

Our Organisational Structure

In June 2025, PGIM unified its standalone businesses under a single PGIM brand to deliver a more seamless client experience and offer integrated solutions aligned with our clients' evolving needs.

This unified model has brought together PGIM Fixed Income, PGIM Real Estate, PGIM Private Capital, PGIM Quantitative Solutions and Jennison Associates into four investment groups: Credit, Real Estate, Quantitative Solutions and Jennison (fundamental equities), which are supported by combined Distribution, Product and Marketing platforms as well as consolidated back office support functions.

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[1] Prudential Financial, Inc. of the United States is not affiliated in any manner with Prudential plc, incorporated in the United Kingdom or with Prudential Assurance Company, a subsidiary of M&G plc, incorporated in the United Kingdom.

[2] As of Dec 2025. https://www.pgim.com/us/en/institutional/about/our-firm/global-locations

[3] AUM as disclosed in our parent company's Form 10-K (page 54) https://www3.prudential.com/annualreport/report2026/annual/HTML1/prudential-ar2025_0023.htm

For most recent AUM information, please see: https://www.pgim.com/gb/en/institutional/about/our-firm

PGIM				
Credit	**Real Estate**	**Quantitative Solutions**	**Jennison**	**Secondary Assets**
Public Credit, Private Credit, Direct Lending, Mezzanine, Asset Based Finance	Equity, Debt & Securities, Agriculture, Infrastructure	Quantitative Equity, Multi-Asset	Fundamental Equity, Fixed Income	Private Equity and Private Credit Secondaries

OUR CULTURE

PGIM's culture is designed to support long-term investment performance and strong client outcomes. We believe a high performance culture is built on trust, accountability, and collaboration, and must enable employees at all levels to contribute their best thinking in service of our clients. We define our culture as a safe, inclusive environment centred around mutual respect, intellectual honesty, transparency, and an unwavering commitment to clients.

We emphasise clear accountability and ownership of outcomes, encouraging employees to set clear expectations, make informed decisions, and deliver consistently on commitments. Candour and constructive feedback are core cultural expectations, supporting effective decision-making and continuous improvement across the organisation. Inclusion is embedded into how we operate rather than treated as a separate initiative. We seek to attract, develop, and retain diverse talent enabling teams to draw on a wide range of professional, academic, and market experiences to inform investment judgment and client service. Our talent model emphasises cognitive and experiential diversity, supported by inclusive workplace practices and employee led networks that strengthen collaboration, cultural awareness, and decision making. We also foster an environment where employees feel respected, valued, and able to bring their authentic perspectives to work.

PGIM's culture is reinforced through enterprise-wide behavioural expectations, leadership accountability, and formal governance structures, including global and regional culture councils that surface employee feedback and advise senior leadership. These mechanisms help ensure our culture continues to evolve in alignment with our business strategy and client needs.

OUR CLIENTS

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PGIM serves a diverse global client base across institutional and retail segments. We manage assets for three primary client groups:

- The General Account of our affiliated insurance companies
- Institutional clients
- Retail clients (indirectly)

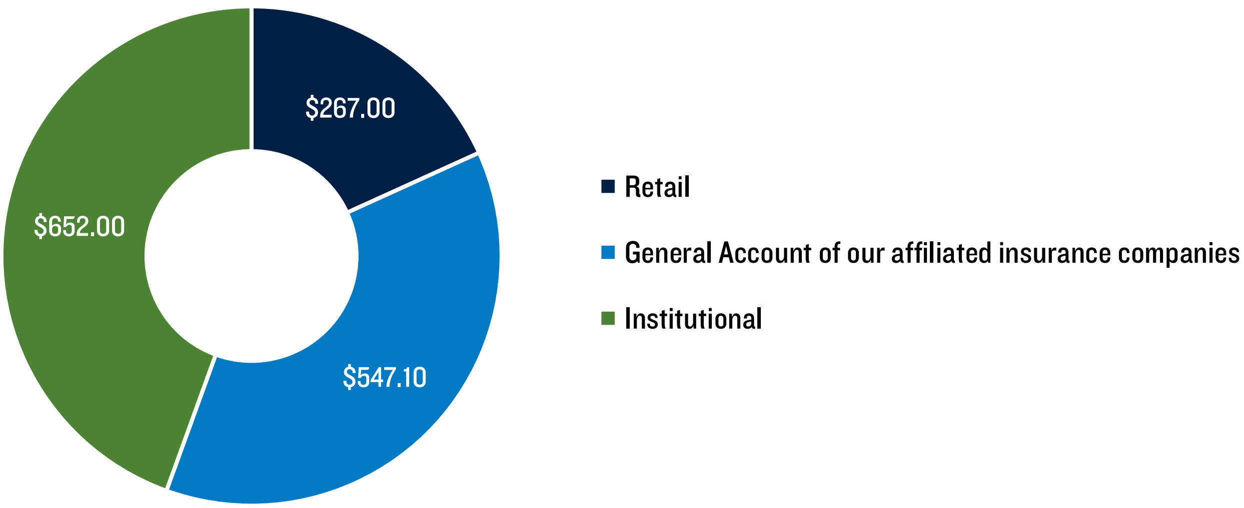
The General Account holds assets that support PFI's insurance businesses. The General Account creates deep alignment with the investment management business by investing alongside clients and enabling growth particularly in private markets.

Our institutional clients include, among others, pension and retirement plans; defined contribution and retirement savings platforms; insurance companies; sovereign and public institutions; endowments, foundations and non-profit organisations; investment advisers and outsourced CIO partners, financial institutions and intermediaries. Institutional clients are primarily served through segregated mandates, commingled funds, private market vehicles, advisory solutions and/or customised portfolio construction.

Our retail clients invest through intermediary distribution channels in PGIM's mutual funds, ETFs, UCITS funds, and other pooled vehicles distributed globally and include:

- Individual investors, accessing PGIM strategies through pooled vehicles
- Financial advisers and wealth managers
- Third-party product manufacturers and platforms, who incorporate PGIM investment strategies into their own offerings
- Retirement and savings platforms

AUM by Client Type (USD Billions) [4]



[4] Source: PFI Annual Report 2025 - Form 10-K https://www3.prudential.com/annualreport/report2026/annual/HTML1/prudential-ar2025_0021.htm?r10#3

Global Footprint

Present in key financial markets around the globe, PGIM offers local expertise and market-by-market insights, and provides clients with investment solutions worldwide.

37	20	4
Offices	Countries & Jurisdictions	Continents

Americas since 1875	EMEA since 1998	Asia Pacific since 1994
AUM USD 1,125bn GBP 836bn	AUM USD 127bn GBP 94bn	AUM USD 214bn GBP 159bn
3,450+ employees	750+ employees	450+ employees
1,150+ investment professionals	240+ investment professionals	140+ investment professionals
20 offices	8 offices	9 offices

Source: PGIM internal data

ENGAGING WITH OUR CLIENTS

Our relationships and ongoing dialogue with clients and co-investors underpin our approach to stewardship and sustainability, reflecting our fiduciary responsibilities, scale, global footprint and active investment style.

Across PGIM's investment groups, client engagement is delivered through regular reporting, client update meetings, ad hoc dialogue and responses to sustainability due diligence requests. These interactions are supported by disclosures aligned with recognised frameworks, including Principles for Responsible Investment ("PRI"), EU Sustainable Finance Disclosure Regulation ("SFDR") and the UK, Japanese and Australian Stewardship Codes, which enhance transparency and accountability for sustainable investing and stewardship activities.

We work closely with clients to align investment guidelines, risk budgets and portfolio construction with their investment beliefs, time horizons and sustainability-related objectives, supported by clear reporting. Ongoing dialogue and reporting enables us to communicate investment and sustainability/stewardship implementation approaches and outcomes, while incorporating client feedback to refine products, research and internal frameworks. Because sustainability preferences and solutions are evolving and nuanced, direct client engagement is essential, both to meet specific objectives and to inform improvements to our investment processes.

OUR GOVERNANCE AND RESOURCES

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SUSTAINABILITY AND STEWARDSHIP GOVERNANCE STRUCTURE

PGIM's Sustainability Governance

PGIM's sustainability governance comprises central oversight, cross-PGIM coordination, and investment group-level governance, ensuring accountability while respecting asset class expertise. PGIM's President and CEO is our most senior governance and decision-making authority and is advised by the senior leadership team. PGIM's Global Head of Sustainability provides regular updates on sustainability and climate-related matters to senior leadership and chairs the PGIM Sustainability Council, supporting firm-wide alignment.

PGIM Sustainability Council

While each investment group is responsible for the governance and execution of its sustainability and stewardship approach, cross-PGIM collaboration is achieved through the Sustainability Council. The Council stewards PGIM's overarching sustainability and stewardship vision, develops and reviews sustainability and stewardship-related policies and reports, supports collaboration across the firm, and contributes to the development of industry-leading capabilities and solutions in response to evolving client, regulatory and market developments.

The Council comprises sustainability leads from PGIM's investment groups and representatives from Global Wealth, the Institutional Client Group and central functions, including legal, compliance, risk, strategy, marketing, communications and external affairs functions. It is chaired by the Global Head of Sustainability and meets regularly throughout the year.

PGIM Sustainability Council			
Chair: PGIM Global Head of Sustainability	Heads of Sustainability from Credit, Real Estate Jennison (fundamental equities), Quantitative Solutions	Representatives from Institutional Client Group, Global Wealth, Marketing, Legal, Compliance, Risk, Strategy, Communications, External Affairs	Observers from Data/Technology, Financial Reporting, Culture and Inclusion
Supported by PGIM Sustainability Policy and Strategy Team			

Ad hoc working groups are convened as required to support the Council through targeted, time-bound initiatives. These groups focus on addressing specific issues identified by the Council and delivering defined outcomes, reporting progress and results back to the Council.

PGIM Sustainability Team

Central sustainability resources support the investment groups by providing coordination, governance and facilitation of collaboration, while respecting investment team autonomy and asset class expertise. These resources also support client engagement and external stakeholder interaction, including interactions with policymakers, regulators and industry groups.

Sustainability Governance at Investment Group Level

Across PGIM, each investment group maintains dedicated governance structures to oversee the implementation of sustainability and stewardship policies consistent with PGIM's overarching approach. These structures comprise senior leaders responsible for reviewing, guiding and overseeing the implementation of sustainability-related processes and capabilities for their respective asset classes.

Conflicts of Interest

Acting with integrity, objectivity and transparency, consistent with our fiduciary duty and in the best interests of clients, is foundational to our approach to sustainability and stewardship. We recognise that actual or potential conflicts of interest may arise in connection with engagement, proxy voting and other stewardship activities, and maintain a robust, firm-wide conflicts management framework to identify, mitigate, manage or disclose conflicts, ensuring objective and client-focused decision-making.

Conflicts are identified through ongoing monitoring and formal annual reviews and may arise where PGIM or its affiliates have multiple business relationships, investment professionals have personal or financial relationships, stewardship activities intersect with commercial or regulatory engagement, or PGIM engages with issuers, policymakers or industry bodies while managing client assets.

Where conflicts are identified, we apply appropriate controls, which may include elimination, disclosure, or management through policies, procedures, escalation, recusal or independent review, supported by legal and compliance functions. Employees receive training on conflict identification and management and must comply with reporting and recusal obligations. Where required by law, regulation or client agreement, we disclose conflicts through appropriate regulatory filings, client documentation or reporting. This approach applies equally to stewardship-related conflicts, including those arising during issuer engagement or proxy voting.

Stewardship specific conflicts

Conflict Type	Management Approach
Multiple client relationships and mandates, where stewardship activities may affect clients in different ways (e.g. positions in different asset classes or differing investment horizons).	Actions are guided by fiduciary duty toward long-term value creation, not individual client relationships. Proxy voting and engagement follow asset-class and strategy-specific policies and guidelines. Client-directed voting and specific considerations for customised mandates are respected in accordance with contractual arrangements. Conflicts are escalated to compliance or legal teams as appropriate.
Commercial or business relationships, where PGIM or its affiliates may have business relationships with an issuer, borrower, counterparty, service provider or stakeholder that is also the subject of stewardship activity.	Stewardship decisions are made independently of commercial considerations, with separation of investment and commercial functions. Material conflicts are addressed through established processes, which may include escalation, independent review or alternative decision-making arrangements.
Personal interests of investment professionals, where professionals or family members have personal, financial or professional relationships that could influence, or appear to influence, engagement or voting decisions.	Employees disclose conflicts in accordance with PGIM's and PFI's conflicts policies. Policies govern personal securities transactions, gifts and entertainment, and outside business activities. Individuals may be recused from decisions or matters reviewed independently.
Proxy voting, where PGIM has a business relationship with the issuer, proposal proponent or management team, an employee has a personal connection to the issuer, or PGIM is soliciting or managing business with the issuer.	Voting authority, where delegated by clients, is exercised solely in clients' economic interests, consistent with investment-group-specific policies and procedures. Where conflicts are identified, additional safeguards may apply, including independent voting processes consistent with applicable investment group policies.
Industry and policy engagement, where collective positions of trade associations and industry initiatives that PGIM is a member of differ from client or strategy views, intersect with our own regulatory or public policy engagement, or initiatives involve issuers in which PGIM is invested.	Participation is selective, guided by fiduciary duty and antitrust considerations, with appropriate governance, oversight and documentation. Where necessary, we may limit participation or clarify engagement scope to manage conflicts.

As part of its approach to managing conflicts, PGIM does not invest client assets in securities issued by its parent company, PFI, except where exposure arises indirectly through pooled investment vehicles, indices or other client-directed arrangements, and only in accordance with applicable laws, regulations and client agreements. This policy mitigates potential conflicts between PGIM's fiduciary obligations and its relationship with PFI.

Where stewardship-related conflicts cannot be effectively mitigated at the investment group level, matters are escalated to legal and compliance teams, with oversight where appropriate by senior management or relevant governance committees.

RESOURCING SUSTAINABILITY AND STEWARDSHIP

We have invested significantly in people, technology and data capabilities, employing dedicated sustainability professionals at all levels of seniority with deep, sustainability-focused investment experience.

Dedicated sustainability specialists are embedded within investment teams, working closely with investment professionals and central functions. Their role is to enhance investment research and analysis by providing decision-useful insights, supporting the assessment of financially material sustainability-related risks and opportunities and, where relevant, their integration into investment decision-making. This may include sector, thematic and issuer or asset-level analysis, as well as monitoring regulatory and market developments.

Sustainability specialists also support stewardship activities, including engagement with issuers and other stakeholders (e.g., tenants, borrowers, service providers, industry groups, policymakers) on sustainability-related topics. In fundamental equities, specialists provide specific subject-matter expertise on proxy voting issues where additional sustainability insight is required to assess financial materiality.

While sustainability specialists provide dedicated expertise, we recognise that effective sustainability research and stewardship require broad ownership and deep integration. Responsibility for sustainability and stewardship is therefore shared across the organisation, with analysts, portfolio managers, economists, underwriters and asset management teams accountable for integrating sustainability considerations into investment decision-making and stewardship activities, supported by risk, legal, compliance, product, marketing, communications and external affairs functions.

TRAINING AND EDUCATION

To support the evolving sustainability landscape and growing client demand, we have developed a modular sustainability training programme available to employees. The programme provides practical insight into sustainability factors in an investment context, PGIM's fiduciary approach, and how investment teams support clients' diverse sustainability-related objectives.

Training is delivered through a combination of firm-wide programmes and role-specific education, supporting investment, client-facing and control functions. Sustainability specialists provide targeted teach-ins, research-led sessions and updates on regulatory developments and sector-specific risks, and lead training on proprietary tools and frameworks with relevant stakeholders, including the Impact Ratings framework, the Temperature Alignment Tool and customised solutions such as the Sustainable Development Goals (SDG) framework in quantitative equities.

We also support professional development opportunities, including company-funded access to the CFA Institute's Sustainable Investing Certificate, attendance at relevant conferences and seminars, and selective use of external advisory expertise where specialist input is required.

EXTERNAL SERVICE PROVIDERS

Across investment groups, we use a global network of third-party service providers to supplement internal capabilities, including data providers, proxy voting services, property managers, joint-venture partners, valuers and consultants, where appropriate.

Examples of data providers used by some of our investment groups include:

- MSCI ESG Research for sustainability data, research, controversies, screening, etc.
- Sustainalytics (Morningstar) for material risk engagement, sustainability risk signals, controversies, screening, etc.
- ISS for controversies and screening

- Impact Cubed, Net Purpose and LGX DataHub for SDG, green bond and impact data
- Clarity AI for SFDR indicators and controversies
- LSEG for market and issuer data
- MunichRe Location Risk Intelligence for real asset physical risk modelling
- Deepki for real asset data collection, aggregation, benchmarking and reporting
- GRESB for proxy data on underlying assets in real estate debt investments
- SBTi, CDP, and Transition Pathway Initiative for net zero alignment and emissions data
- Octus for data on underlying assets in securitised/CLO deals
- ArcGIS Online for location-specific geo-spatial data

We consistently advocate for and support the improved disclosure, consistency and transparency of sustainability and carbon data and our investment groups maintain ongoing dialogue with data providers to address data quality, coverage, materiality and methodological challenges. We recognise that this feedback loop between internal analysis and external providers is integral to effective risk assessment, climate analysis and stewardship outcomes across global portfolios.

For **proxy voting,** we use third-party providers including Glass Lewis, ISS and Sustainalytics for services such as administrative and research support, resolution summaries, or analysis and vote execution, while retaining full investment judgement internally. We actively engage with providers to improve the quality, relevance and decision-usefulness of data and analysis, subjecting outputs to internal research, testing and validation, and providing feedback to strengthen methodologies.

For **real estate equity**, we use Deepki and CBRE to manage data collection and data quality at the property level and support voluntary disclosures at the fund and group level. Additionally, data submitted for GRESB reporting funds is subject to further independent third-party data quality assurance. The real estate investment group retains ownership and accountability of sustainability performance analysis and decision-making, whilst routinely engaging with its consultants and property managers to improve data quality, completeness, and timeliness.

Third-party relationships are governed by our Third-Party Risk Management (TPRM) standards. These standards define a consistent framework for managing third-party risks throughout the relationship lifecycle, from onboarding to termination.[5] This includes pre-appointment due diligence, service-level agreements and KPIs, including sustainability data and reporting requirements, and ongoing monitoring, supported where relevant by independent audits. The TPRM framework is designed to manage operational risk while promoting consistent standards that support sustainability and stewardship activities.

At the global level, our parent company, PFI, maintains policies and procedures to support PGIM's conduct of business in an ethical manner, adhering to the highest standards of integrity and accountability. These policies are detailed in the Appendix and include a Supplier Code of Conduct that outlines the ethical and business standards expected of suppliers and third-party partners. The code forms part of our broader approach to responsible business practices, integrity, and ethical conduct throughout the supply chain. PFI's Human Rights Statement reflects our belief that we operate in accordance with the UN Universal Declaration of Human Rights, the International Labour Organisation's core conventions, and support the UN Guiding Principles on Business and Human Rights.

TECHNOLOGY AND INFRASTRUCTURE

We continue to invest in technology and information systems to support investment research, reporting, portfolio construction, monitoring and compliance. In 2025, this included enhancements to sustainability-related data collection, as well as climate risk and emissions reporting capabilities, improving access to relevant ESG data sources and analytical tools across asset classes.

Reflecting PGIM's historic multi-affiliate model, our technology platforms are developed and owned by the individual investment groups and tailored to asset-class-specific investment processes.

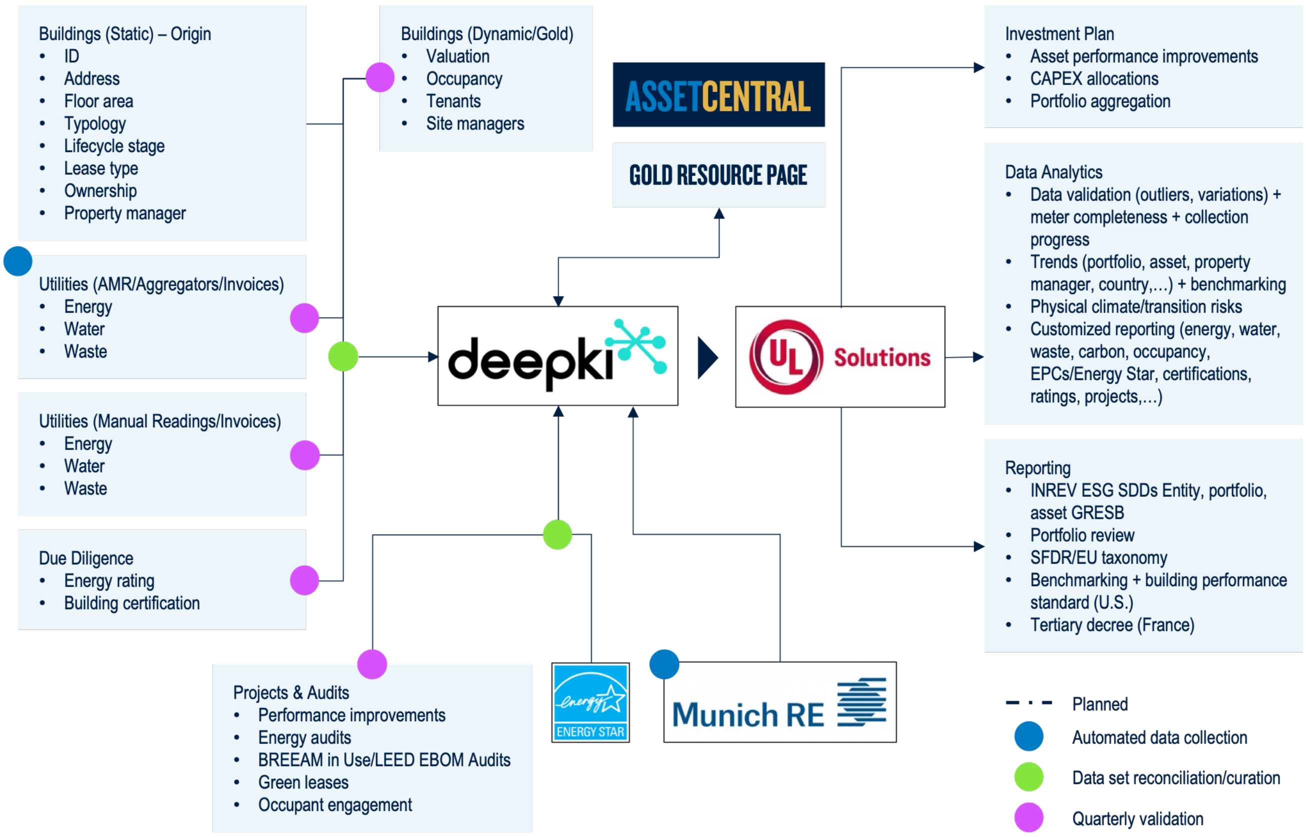
Our investment groups leverage bespoke internal platforms to synthesise data and research, supporting consistent, decision-useful analysis. Across our investment groups, stewardship activity is documented in proprietary internal

5 See Appendix. Maintained at our parent level, Prudential Financial, Inc

research and engagement tracking systems, accessible to authorised investment professionals and portfolio managers. These systems support consistency, record-keeping, escalation, and client reporting, while ensuring stewardship insights are integrated into ongoing investment decision-making. Other key systems deployed within our investment groups include:

Deepki: All real estate equity investments are onboarded to Deepki, a market-leading Sustainability as a Service (SaaS) platform that automates utility data collection, tracks environmental performance metrics at the asset level and supports physical climate risk analysis. The platform's analytics capabilities — including integration with ENERGY STAR Portfolio Manager, CRREM and Munich RE — enable detailed performance benchmarking, decarbonisation pathway tracking and climate risk assessment across the portfolio. Further detail on how Deepki supports our real estate investment process is provided in the Real Estate section of this report.

Data management & intelligence



Gold: A proprietary reporting platform that aggregates real estate debt and equity data globally, providing interactive dashboards for portfolio analysis, sustainability reporting and client reporting. From autumn 2026, Gold will integrate sustainability data from AssetCentral, our centralised real estate equity data platform.

Jennison Equity Research Portal: For fundamental equities, Jennison's proprietary internal research portal is available to all investment professionals and enables ongoing sharing and archiving of research insights. The platform supports seamless integration of investment and sustainability research and engagements, as well as dashboard portfolio monitoring, controversy monitoring, carbon analysis, and portfolio construction tools and analytics.

Omnia: A proprietary analysis and information system for real estate debt investments, capturing loan-level data — including property information, operating statements, rent rolls, vacancy data, valuations and sustainability metrics such as energy certifications, green building certifications, mobility and resilience risk scores — throughout the life of each loan. This supports more informed underwriting, portfolio monitoring and sustainability reporting. Further detail on how Omnia supports our real estate debt process is provided in the Real Estate section of this report.

Peregrine: Our Credit group has invested in a technology platform known as Peregrine, which, while not solely sustainability-focused, embeds sustainability insights within credit analysis, enabling greater internal knowledge dissemination and supporting more informed decision-making for clients.

Strata: For our quantitative equities investment group, a visualisation interface known as Strata demonstrates and visualises our proprietary models, research and portfolio construction process, enhancing transparency and explainability for clients and prospects.

SUSTAINABILITY AND STEWARDSHIP IN THE INVESTMENT PROCESS

04

Our approach to sustainability and stewardship, as articulated in our Sustainability and Stewardship Policy, is grounded in our fiduciary duty to act in the best long-term interests of clients.

We believe that sustainability-related factors, including environmental, social and governance considerations, can affect asset values and long-term performance and, therefore, can be financially material to investment outcomes. Where these factors are financially material, integrating them into investment analysis supports better-informed capital allocation, risk management and investment decisions. Accordingly, our investment managers assess sustainability-related factors where they are considered financially material as part of their investment processes consistent with fiduciary responsibilities and the nature of their respective strategies. We clearly differentiate between (i) the assessment of financially material sustainability risks/opportunities and (ii) the assessment of environmental or social impacts undertaken in the context of specific client-directed sustainability or impact objectives.

Client choice and transparency are central to our sustainability and stewardship approach. For clients focused solely on risk/return optimisation, sustainability considerations are incorporated only where financially material. Where clients' objectives extend beyond risk/return optimisation to reflect specific sustainability preferences, values-based considerations, or deliver environmental and/or social outcomes, we seek to support these objectives through differentiated capabilities, tools and investment solutions.

Consistent with this approach, we do not impose a single sustainability outcome across all assets under management, rather, sustainability is applied as part of the broader investment toolkit within the investment process to manage investment risk, identify opportunities, align with client preferences, or achieve positive real-world impact.

Active stewardship is an important component of our sustainability approach. Across asset classes and strategies, stewardship activities, including engagement and, where applicable, proxy voting, are used to protect and enhance long-term investment value, promote sound governance and risk management, and encourage improved disclosure and practices where relevant to financial outcomes or client objectives. Stewardship is exercised in a manner consistent with the respective asset class and investment strategy, as well as fiduciary duty, regulatory obligations and client expectations.

SUSTAINABILITY AND STEWARDSHIP POLICY

PGIM's Sustainability and Stewardship Policy outlines PGIM-wide Sustainability philosophy, principles, and governance, while allowing for asset-class-specific implementation across investment groups. It explains how environmental, social, and governance factors are incorporated into investment decision-making, how sustainability-related opportunities are identified, and how we support clients seeking to achieve sustainability-related objectives.

The policy also sets out our approach to active stewardship, including engagement and proxy voting, and to climate-related topics, including support for clients with specific decarbonisation objectives. The policy is periodically reviewed and approved by the PGIM Sustainability Council.

MANAGING INVESTMENT RISKS AND OPPORTUNITIES

PGIM is an active investment manager, deploying client capital across public and private markets through research-driven investment decision-making and active portfolio oversight. Our active management style is characterised by deep investment analysis, disciplined portfolio construction, and active monitoring of risks and opportunities, including those relating to sustainability factors that may affect long-term value.

Our research and investment processes support identifying, assessing and managing sustainability-related risks and issues that may be material to investment performance, while reflecting differences in asset class, investment structure and client mandates.

Sustainability-related risks and considerations are integrated into investment decision-making consistent with the approach set out in our Sustainability and Stewardship Policy. The extent and manner of integration varies by asset class, strategy and data availability and occurs alongside other financial, operational and risk factors.

Not all strategies incorporate sustainability risk analysis as part of their investment process. This may be because it does not provide meaningful benefit to investment decision-making or because data limitations make robust assessment impractical. This includes strategies where integration is not feasible given the investment approach, such as index-replicating strategies, as well as certain tactical asset allocation and hedging strategies.

Under PGIM's overarching framework, investment groups tailor sustainability and stewardship implementation to reflect the specific characteristics of their asset classes. This differentiation leverages deep asset class expertise and ensures the most effective sustainability approaches are applied to influence investment outcomes for clients. Approaches include:

- In **public credit**, investment analysis and decision-making are grounded in proprietary credit research, assessing issuer fundamentals, cash-flow durability, relative value and downside risk. Investment teams evaluate not only issuers, but also individual instruments, with close attention to structural features, documentation and creditor protections. Portfolios are actively managed as macroeconomic conditions, issuer profiles and market dynamics evolve. Sustainability considerations are assessed as part of the credit research process and incorporated into relative value assessments when deemed to be credit-material.
- For **private credit**, our relationship driven, long-term approach reflects the nature and longer investment horizons of the asset class. Rigorous fundamental due diligence on business models, cash-flow resilience, management quality, governance and downside risk, coupled with close relationships with company management underpins the team's investment approach. Investment structures are actively negotiated to include appropriate covenants, controls and alignment of interests, and portfolios are constructed with a strong focus on capital preservation and risk-adjusted returns. Sustainability considerations are assessed and, when deemed to be credit-material, are embedded within due diligence, underwriting and monitoring alongside other credit-material fundamentals.
- In **secondaries** investments, sustainability considerations are incorporated through risk-based assessment of both underlying fund exposures and the practices of GPs , reflecting the indirect nature of ownership. Analysis focuses on identifying material sustainability-related risks that could affect portfolio value, liquidity or reputation, and is integrated into pricing, structuring and portfolio construction decisions.
- In **fundamental equities**, proprietary research is the cornerstone of the investment process. Our fundamental equities team seeks to develop a deep, holistic understanding of businesses and issuers, analysing company-specific fundamentals, industry dynamics, competitive positioning and long-term growth drivers. Portfolio construction is built security by security on a high conviction basis rather than through benchmark replication or top-down allocation decisions. Sustainability considerations are incorporated into fundamental research. Analysts assess material environmental, social and governance factors alongside traditional drivers of return, with insights reflected in investment theses, valuation assumptions and portfolio construction.
- In **quantitative equities**, a systematic, research-driven investment approach built on proprietary quantitative models is employed to identify persistent drivers of return, risk and diversification across global equity markets. Investment decisions are based on empirically tested signals derived from multiple data inputs, including valuation, profitability, momentum and risk characteristics, and implemented through disciplined portfolio construction. Sustainability-related risks are incorporated within quantitative risk frameworks where data quality and financial materiality allow, with a focus on identifying exposures that may contribute to downside risk, tail events or unintended factor bias. These metrics are evaluated alongside traditional risk signals and managed within portfolio construction, supporting robust risk management across diversified strategies.
- Across **real estate equity and debt** investments, we combine in-depth market research with asset-level due diligence, drawing on macroeconomic insights, local market expertise and property-specific analysis. Sustainability considerations for equity investments are integrated at acquisition and throughout ownership where they are expected to materially affect asset values, operating costs, resilience or exit outcomes. Risks are assessed alongside financial underwriting and reflected in capital expenditure planning and asset management strategies. Post-investment, assets are actively managed through hands-on oversight of operational performance, physical climate risk resilience and capital expenditure planning.

For real estate debt investments, sustainability considerations are incorporated into loan underwriting and portfolio monitoring where they are assessed as material to asset quality, cash-flow stability, regulatory compliance or location-specific material physical climate risks, with findings informing structuring, covenant design and risk management.

Further detail on each asset class's approach is provided in Chapter 5 of this report.

DELIVERING SUSTAINABILITY SOLUTIONS FOR CLIENTS

Approach to Exclusions

PGIM does not apply firm-wide exclusions or restricted lists for sustainability purposes. We believe that restrictions on the investable universe should reflect clients' investment objectives, sustainability preferences and applicable legal or regulatory requirements, and the design and objectives of sustainability-focused products.

Accordingly, we facilitate client-directed exclusions and negative screens based on client-directed criteria, implemented either through specialist third-party screening providers or client-supplied restricted lists, as appropriate. This approach enables clients to tailor sustainability constraints without imposing a one-size-fits-all framework across strategies.

In addition to separate account mandates, we apply defined sustainability-related constraints within certain sustainability-focused commingled products, including SFDR Article 8 strategies. These constraints typically include limits on UN Global Compact (UNGC) violators, tobacco production, controversial weapons manufacturing and thermal coal extraction and generation, alongside product-specific criteria disclosed in relevant documentation.

We periodically review these constraints to ensure they remain appropriate, transparent and aligned with stated investor expectations.

Supporting Clients' Low-Carbon Transition Goals

We engage actively with clients to understand their climate-related investment objectives, recognising that governments, institutions and asset owners are adopting net zero targets and transition plans shaped by varying fiduciary, regulatory and legal obligations.

As a steward of client assets, we support clients with decarbonisation or net zero alignment goals by working in partnership to develop portfolio-level solutions that reflect return expectations, risk tolerance and time horizons. We are transparent about the attainability of sustainability objectives within specified risk and return parameters and tailor approaches to align with investment performance requirements.

We have developed a range of thematic strategies and asset-class-specific approaches to support clients' climate and low-carbon transition goals. Illustrative examples are included in this report, and more recent examples are provided in the Activities & Outcomes report.

Addressing Environmental and Social Impacts

We recognise that environmental and social impacts not fully priced today may become financially material over time, driven by evolving regulation, policy, market practices and societal expectations. Conversely, positive environmental and social outcomes may enhance competitiveness and long-term value for certain companies and assets.

This double materiality perspective may therefore support the early identification of issues that could develop into financially material risks or opportunities. Aligned with the objectives of sustainability-focused investment strategies, certain PGIM investment groups undertake additional, dedicated analysis of environmental and social impacts, supported by specific frameworks, methodologies and processes.

Different sustainability solutions appropriate for each asset class and investment group are detailed in Chapter 5 of this report.

ACTIVE STEWARDSHIP ACROSS ASSET CLASSES

PGIM defines active stewardship as the use of engagement, proxy voting and, where appropriate, industry and public policy engagement to preserve and enhance the value of investments on behalf of clients. Across our investment groups, active stewardship is undertaken in a way that is additive to, and integrated within, the investment process, reflecting our fiduciary duty and our belief in the importance of well-functioning financial markets.

Stewardship tools and escalation mechanisms vary by asset class and investment structure, and are applied in a manner consistent with fiduciary duty, client mandates and the characteristics of each strategy.

- **Public credit** strategies exercise stewardship primarily through issuer/borrower engagement and capital allocation decisions. The results of engagement may inform relative value reassessment and/or eligibility in certain strategies.
- **Private credit** strategies emphasise direct engagement with borrowers, supported by long-term relationships, contractual provisions and, in certain instances, governance rights. Longer holding periods and direct financing relationships allow for regular dialogue with borrowers, sponsors or management teams to understand evolving risks, opportunities and performance over time. Engagements focus on downside risk and support long-term value creation.
- **Private markets** fund investments, including primary commitments, secondary investments and co-investments, exercise stewardship through manager selection, capital allocation, portfolio construction and ongoing assessment of GP practices. Engagement is typically focused on GPs and managers, reflecting the indirect nature of ownership and the role of monitoring and dialogue in managing sustainability-related risks.
- **Public equity** strategies utilise both engagement and proxy voting as core stewardship mechanisms. Investment teams conduct engagement with investee company boards and management, and knowledge gleaned through engagement may impact voting actions, including voting against management or board recommendations where appropriate, as well as determinations of whether to adjust position size or divest, consistent with the investment strategy and client mandate.
  In **quantitative strategies**, more scalable approaches to stewardship may complement direct engagement to reflect portfolio breadth and investment style, including collaborative engagement and thematic or policy-level dialogue to address financially material risks across large investment universes. Across all public equity strategies, exercising voting rights remains a core stewardship mechanism, including voting against board or management recommendations where appropriate.
- **Real assets** strategies focus on engagement across the investment lifecycle, including with tenants, borrowers, partners and service providers, to enhance asset performance, resilience, and long-term value. In real asset equity strategies, stewardship may include the use of direct operational levers, such as asset management initiatives, capital improvement programmes, engagement with tenants or borrowers, and implementation of sustainability standards, to manage material risks and enhance long-term asset value.

Not all investments or strategies lend themselves equally to engagement, and stewardship activities are applied selectively where they are expected to be effective and consistent with fiduciary obligations.

Where engagement does not lead to sufficient progress on issues considered financially material or relevant to client objectives, investment teams may consider appropriate escalation actions, including enhanced monitoring, further engagement, voting actions (where applicable), or portfolio adjustments, consistent with the investment strategy and client mandate.

Across our public equity investment groups (which collectively represent 15% of PGIM's total AUM)[6], proxy voting is used as a stewardship mechanism to communicate whether management or shareholder proposals support our investment case and are aligned with our views on long-term shareholder value creation.

Separate account clients may retain voting authority. However, where proxy voting authority is delegated to PGIM, we exercise voting rights in clients' best economic interests, with the objective of protecting and enhancing portfolio value. Votes are cast in accordance with applicable proxy voting policies and the merits of individual proposals. Voting decisions take into account company-specific circumstances, emerging risks and the issuer's positioning in relation to regulatory, societal and market developments.

Our equity investment groups use third-party proxy service providers for administrative support, including ballot processing, vote execution and research aggregation, but do not outsource voting judgement. Decisions are made by the relevant investment teams, guided by their respective proxy voting policies and custom guidelines, and are not influenced by the identity or motivation of proposal proponents.

Across investment groups, stewardship activities support sustainable long-term investment outcomes by improving insight into material sustainability-related risks and opportunities, encouraging sound governance and responsible business practices, and feeding stewardship insights back into investment decision-making. Each group tailors its approach to the rights and responsibilities inherent to its asset class. Further detail is provided in Chapter 5.

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[6] PGIM's public equity investment groups include Jennison, Quantitative Solutions and PGIM's real estate securities team.

ENGAGEMENT WITH REGULATORS, POLICYMAKERS AND INDUSTRY GROUPS

We engage constructively with regulators, policymakers and industry groups on issues that materially affect clients, investment outcomes and the effective functioning of financial markets. This includes contributing to the development of sustainable finance regulation, advocating for high-quality, comparable and decision-useful sustainability- and climate-related disclosures, and supporting the adoption of globally consistent standards, including the ISSB Standards. We recognise that improved and aligned disclosure enhances market transparency, strengthens risk assessment and supports more efficient capital allocation.

Through constructive dialogue and the exchange of perspectives with clients, peers, regulators, policymakers and industry groups, we strengthen the effectiveness of our stewardship activities by sharing insights, promoting best practices, and supporting improvements in disclosures and market standards, thereby increasing the likelihood of positive, value-enhancing market change. We review our participation in sustainability-related initiatives annually and engage selectively where initiatives align with our sustainability approach, support investment processes, enable a meaningful contribution and are consistent with fiduciary duty, avoid conflicts of interest and do not raise anti-competitive concerns.

PGIM is a member, signatory or supporter of:

- Principles of Responsible Investment (PRI)
- The Council of Institutional Investors (CII)
- International Corporate Governance Network (ICGN)
- Institutional Investors Group on Climate Change (IIGCC)
- IFRS (International Financial Reporting Standards) Sustainability Alliance and SASB (Sustainability Accounting Standards Board) Standards
- Transition Pathway Initiative (TPI) - a Research Funding Partner supporting the provision of independent, academically rigorous climate research.

Our investment groups also engage with asset-class-specific industry bodies or in asset-class or topic specific working groups, such as GRESB or Access to Medicine to support market-wide improvements in sustainability practices, enhance awareness of emerging regulatory risks and to deepen expertise. Through these forums, our investment groups contribute their deep asset class expertise to consultations, regulatory and reporting standards as well as the development of sustainability metrics and relevant to their asset classes.

Descriptions of the additional industry bodies and sustainability-related organisations for each investment group are detailed below.

SUSTAINABILITY INVESTMENT AND STEWARDSHIP BY ASSET CLASS

05

CREDIT

Governance

Our Credit investment group is overseen by a Sustainable Investment Policy Committee, supported by a Sustainable Investment Research Sub-Committee and a Private Credit Sustainable Investment Sub-Committee. The Sustainable Investment Policy Committee, chaired by the Head of PGIM Credit, acts as the top governance and decision-making body for Sustainable Investment policies and approach across the investment group.

The Sustainable Investment Research Sub-Committee, chaired by the Head of Global Credit Research, oversees ESG integration in credit analysis, Impact Ratings[7] and related frameworks across public credit strategies. The Private Credit Sustainable Investment Sub-Committee oversees ESG efforts specific to private credit investment and business activities and is chaired by the Private Credit Chief Credit Officer.

PUBLIC CREDIT

Managing Investment Risks and Opportunities

We integrate credit-material sustainability factors into the investment process across public credit strategies, reflecting their potential impact on investment value.

Sustainability-related risks and opportunities are assessed at the issuer level as part of fundamental credit analysis and incorporated into internal credit ratings and relative value assessments where we consider them credit-material. This assessment is bottom-up, conducted by fundamental credit analysts and economists with support from sustainable investment specialists. It draws on internal analytical expertise and issuer disclosures, supplemented where appropriate by third-party data and engagement insights.

The approach varies by fixed income sub-asset class and sector, reflecting differences in investment strategy and data availability. Analysts have flexibility in how they assess credit-material topics within our overarching framework. Following the combination of our public and private credit groups, we have extended the private credit proprietary Sustainability Risk Rating[8] framework - previously applied to private credit investments - to public credit, supporting greater consistency in how we assess sustainability risks across credit strategies.

Where we assess a sustainability factor as materially affecting an issuer's financial profile - positively or negatively - it is reflected in the analyst's fundamental credit rating. These credit ratings are a key input to relative value assessments and a primary channel through which sustainability risk factors influence valuation, position sizing, or decisions to reduce or avoid exposure, aligned with client mandates.

[7] Further detail on Impact Ratings is provided here: Impact ratings

[8] Further details on Sustainability Risk Rating framework are provided under Private Credit section here: Managing Investment Risks and Opportunities

While quantitative metrics often inform our credit views, the ultimate assessment of how sustainability considerations should influence investment decisions is largely qualitative, consistent with our approach to other idiosyncratic risks and opportunities.

Governance quality is an important investment consideration. Our analysts assess governance structures and practices at the issuers we consider for investment as part of the credit research process. This may include board and management composition, succession planning, data security, and labour relations, among other topics.

The environmental and social factors we consider vary by sub-asset class, industry and issuer. Credit analysts determine which are most relevant in each case. These may include climate transition risk, biodiversity and environmental regulation, natural resource availability, stakeholder relations, product quality and safety, and workplace safety and wellness.

Sustainability risk considerations are embedded within our credit assessment process, which informs required compensation for risk, investment sizing and portfolio construction decisions. Climate-related considerations are typically assessed as part of broader investment analysis and are not generally separated from other financial risk factors, except where required by specific client mandates or analytical frameworks — for example, where clients apply temperature alignment methodologies. As part of this, analysts may consider climate-related scenarios, which vary by sector, region, timeframe and, in some cases, by issuer to reflect the most likely channels through which climate risks may arise. Timeframes typically range from short-term (approximately 0–2 years) to medium-term (approximately 3–5 years) and long-term (approximately 5+ years). We recognise the value of studying longer-term climate risks, while seeking to apply resources proportionately to the decision-usefulness of predictions over different time horizons.

Sovereign research focuses on macroeconomic stability and debt sustainability. Sustainability issues feature prominently in this analysis, particularly within our sovereign credit ratings process. In addition to a fundamental macroeconomic score that captures key strengths and vulnerabilities, the ratings framework includes an assessment of qualitative factors that shape policymaking — including institutional quality, governance issues, and social and environmental considerations that we believe could affect relevant macroeconomic variables.

Active stewardship reinforces this approach. We engage at the issuer level, with insights feeding back into credit analysis and Impact Ratings to inform escalation where risks are not adequately addressed or compensated. We also engage on sector-wide thematic issues to assess issuer responses, identify commercially viable best practices and encourage their adoption across the market. Further detail on stewardship in credit strategies is provided here: Active stewardship.

Sustainability Solutions for Clients

Temperature alignment tool

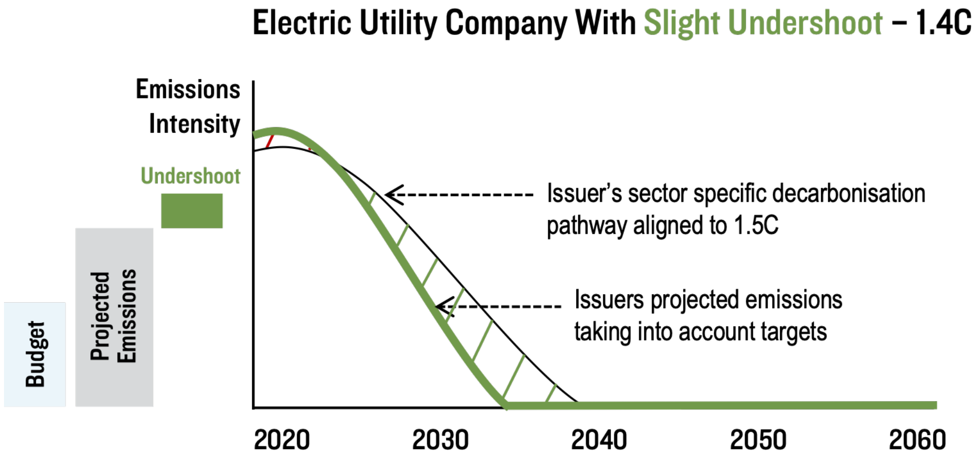
Our proprietary Temperature Alignment Tool assesses the ambition and credibility of issuers' alignment with global warming scenarios, complementing existing climate risk and impact assessments. It integrates forward- and backward-looking data, evaluating both stated targets and their credibility, with a focus on issuer-level transition strategies rather than portfolio-level metrics alone. For the most carbon-intensive issuers, we supplement data-based outputs with in-depth qualitative analysis by sustainable investment specialists.

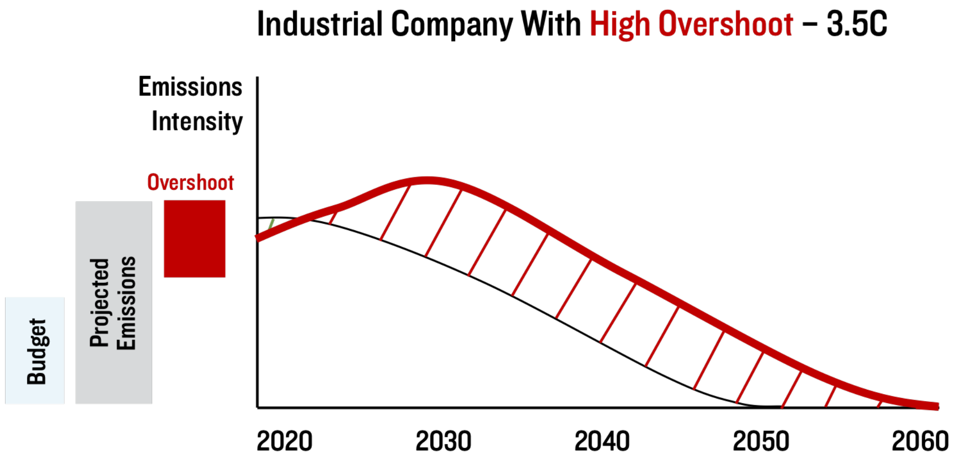
We apply the framework across a range of investment and stewardship use cases. It supports client dialogue and customised portfolio objectives — including setting relative or absolute constraints based on temperature alignment, such as overweighting more aligned issuers or underweighting less aligned ones. It also informs portfolio construction for mandates with carbon footprint or similar targets, helping portfolio managers identify issuers likely to contribute to organic decarbonisation and thereby reducing reliance on trading or sector rotation.

In addition, we use the tool for climate performance monitoring and to refine exclusion approaches — for example, investing in issuers that might otherwise be screened out under broad climate criteria where their transition ambition, credibility and delivery are assessed as sufficiently strong.

The tool also informs our stewardship priorities, supporting issuer engagement on climate strategy, targets and disclosure quality, alongside Impact Ratings. Together, temperature alignment analysis, fundamental research and active engagement support credible, decision-useful implementation of climate objectives that target real-world decarbonisation.

Temperature Alignment (TA) is a forward-looking metric enabling investors to identify and support companies committed to decarbonisation aligned with science-based pathways.





Impact ratings

Our Impact Ratings support clients seeking to express and implement sustainability-related objectives in fixed income portfolios. We recognise that environmental and social impacts do not always translate into credit-material risks for the issuers creating them; therefore, Impact Ratings are intentionally separate from credit analysis.

Impact Ratings assess issuers' environmental and social impacts to provide a structured, forward-looking view that informs investment decisions, engagement priorities and portfolio construction. We apply them only where clients elect to manage sustainability outcomes through an explicit impact lens, consistent with fiduciary duty and regulatory requirements.

For strategies with explicit sustainability objectives, we use Impact Ratings to determine issuer eligibility, apply minimum impact thresholds and, where required, drive exclusions, reduced exposure or divestment. This supports portfolio construction aligned with client sustainability policies, SFDR Article 8 requirements and defined impact constraints.

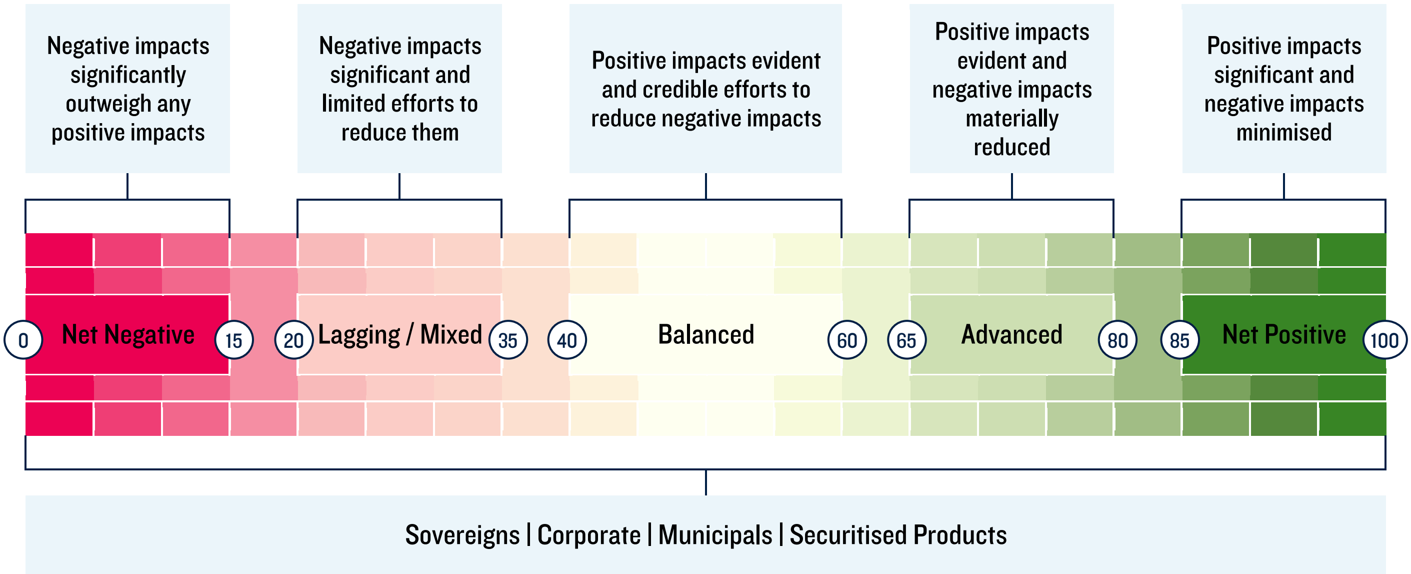
We apply Impact Ratings across our public credit coverage universe — including corporate credit, sovereign and agency issuers, securitised products, emerging markets and municipals[9]. Ratings are assigned at the issuer level based on fundamental, bottom-up analysis conducted by our global research platform of over 100 credit analysts, economists and sustainable investment specialists.

The framework evaluates both negative impacts created by issuers and positive contributions made through their products, services and operations. Third-party data may inform analyst judgement, but ratings are not mechanically

[9] The coverage universe for Impact Ratings includes nearly all issuers where we hold a position, except for those where our position size across the firm is below our de minimis threshold and certain tax-exempt munis, provided these are not held in accounts that utilise our Impact Ratings. Certain new issuers may also not have an ESG Impact Rating assigned in our systems on a transitory basis due to timing constraints.

driven. They ultimately reflect the qualitative judgement of our credit analysts, based on guidance in the Impact Rating framework and supported by the sustainable investment team.

ESG impact categories and definitions



Assessed topics vary by sub-asset class and sector but typically include: environmental impacts such as greenhouse gas emissions (Scope 1, 2 and, where relevant, Scope 3), climate transition, pollution and resource use; social impacts including human rights, labour standards, product responsibility and exposure to controversial activities; and governance-related indicators such as severe controversies or violations of international norms. International standards — including the UN SDGs[10], UN Guiding Principles on Business and Human Rights[11], OECD Guidelines[12] and the objectives of the Paris Agreement[13] — inform our impact assessment without serving as rigid scoring templates.

Corporate Impact Ratings are assigned by credit research analysts, who review the sector-specific Impact Rating framework to identify material environmental and social impacts and include any additional impacts they consider relevant for the particular issuer. Structured products receive dedicated guidance on likely environmental and social impacts depending on the specific sub-asset class (e.g. ABS, CMBS, RMBS[14]). Sovereign Impact Ratings combine quantitative data with a qualitative assessment by our economists.

Impact Ratings play a central role in issuer engagement, enabling transparent, evidence-based dialogue that may result in Impact Rating changes and, where relevant, escalation actions — including reduced exposure or exclusion from sustainability-focused strategies. This creates a clear link between sustainability performance, engagement activity and investment outcomes, supporting client alignment and accountability. For more information on Impact Ratings please see: https://www.pgim.com/gb/en/institutional/solutions/sustainability/esg-impact-ratings

Sustainability-focused instruments

Use-of-proceeds: Our proprietary Green, Social and Sustainability (GSS) Bond Framework assesses the quality and credibility of use-of-proceeds issuances in support of client sustainability objectives.

The framework assesses credibility at three levels: the issuer, the associated projects and the bond's structure. It further differentiates based on the materiality and additionality of the projects. Issuer credibility draws heavily on

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[10] UN Sustainable Development Goals (SDGs): https://sdgs.un.org/goals

[11] UN Guiding Principles on Business and Human Rights https://www.ohchr.org/en/publications/reference-publications/guiding-principles-business-and-human-rights

[12] OECD Guidelines for Multinational Enterprises on Responsible Business Conduct https://www.oecd.org/en/publications/oecd-guidelines-for-multinational-enterprises-on-responsible-business-conduct_81f92357-en.html

[13] The Paris Agreement - https://unfccc.int/process-and-meetings/the-paris-agreement

[14] ABS (Asset-Backed Securities):Securities backed by pools of non-mortgage financial assets, such as auto loans, credit card receivables, student loans, equipment leases, or consumer loans. RMBS (Residential Mortgage-Backed Securities): Securities backed by residential mortgage loans on properties such as single-family homes or apartments. CMBS (Commercial Mortgage-Backed Securities): Securities backed by commercial real estate loans, such as mortgages on office buildings, retail centres, hotels, industrial properties, or multifamily housing.

Impact Ratings, while project- and bond-level assessments evaluate the defensibility of the use of proceeds and structural integrity. Additionality assesses whether projects represent meaningful new activity for the issuer.

This analysis results in an uplift or no uplift to the issuer's Impact Rating, with bonds classified across four tiers reflecting impact materiality, structural robustness and additionality:

Tier 3	The projects are both green or social and material for the issuer and the bond's structure is credible, and the projects clearly represent material new and novel activities for the issuer.
Tier 2	The projects are both green or social and material for the issuer and the bond's structure is strong, but the projects do not represent material new or novel activities for the issuer.
Tier 1	The projects are green or social in isolation, but either the projects are not sufficiently material to the issuer, or the bond's structure has some weaknesses.
Not Credible	Either the issuer's overall transition plans are not sufficiently credible or ambitious, or the bond's projects are not defensibly green or social

Sustainability-Linked Bonds and Loans (SLBs/SLLs): We assess SLBs and SLLs to determine whether the instrument merits an uplift to the issuer's Impact Rating, recognising the incentives, credibility and reporting requirements these structures may introduce.

We assign uplifts only where Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs) are material, ambitious, measurable and transparent. Given that proceeds are typically unrestricted and targets set at issuer level, our assessment focuses on both the issuer and the robustness of KPIs and SPTs, as well as structural features — including whether step-up mechanisms provide meaningful financial incentive relative to the issuer's cost of capital.

High-quality SLBs and SLLs may receive a numeric uplift, though still lower than that for high-quality use-of-proceeds bonds, while low-quality instruments default to the issuer's existing Impact Rating. Credible and ambitious SPTs may also contribute to issuer-level rating changes, limiting the scope for additional instrument-specific uplift.

Active Stewardship

Engagement with issuers

Issuer engagement is integral to our investment decision-making in public credit and is undertaken across corporate, sovereign, municipal and securitised sub-asset classes to support long-term value creation and client outcomes. We use engagement to deepen our understanding of issuer-specific risks and opportunities — including financially material sustainability factors — as well as environmental and social impacts where relevant to clients' objectives.

Our issuer-specific engagement is bottom-up, research-led and focused on issues material to an issuer's credit profile or sustainability impacts. We prioritise engagements where they are expected to add value to the investment process and where there is a reasonable prospect of constructive dialogue with a receptive issuer. This includes situations where we have identified material sustainability-related issues, where relative value opportunities exist, or where engagement can support progress against clients' sustainability objectives. We do not pursue engagements that are likely to be detrimental to client value.

Our engagement aims to provide insight into an issuer's capability and readiness to address the issues of concern, and to inform our investment perspective. We view engagements as informative dialogues that should be meaningful to both parties. While dialogue often involves analysts probing management on relevant, material issues and assessing an issuer's plans to address them, we also seek to share — where practical — how this information is used in investment decision-making, and how this may vary across strategies due to clients' differing risk and impact objectives.

Engagements are conducted directly by our fundamental credit analysts, economists and sustainable investment specialists, rather than through a separate stewardship function, ensuring close alignment between stewardship activity and investment decision-making. The emphasis is on quality over quantity. Insights are documented and inform credit assessments, relative value views and Impact Ratings, as and where relevant. Information obtained through engagement may affect capital allocation decisions, including reducing exposure or refraining from investment, aligned with client mandates and legal requirements.

Given the direct link between engagement and investment decision-making, we strongly prefer one-to-one engagements, enabling candid dialogue with company management, policymakers, arranging banks, sponsors and other stakeholders. We do not employ third parties to conduct engagements.

In addition to issuer-level engagement, we undertake thematic engagement on sustainability-related issues that are material across sectors, regions or issuer types, where such issues may affect long-term credit risk, resilience and value creation. Key themes are identified through bottom-up research and sustainability analysis, and currently include methane abatement, emerging market sovereign transition strategy, labour conditions, pollution, cyber security, sustainable packaging, access to medicine and climate mitigation using insurance modelling.

In public credit, where equity-based escalation tools such as proxy voting are typically unavailable, our most effective escalation mechanisms are investment decisions — such as reducing holdings, exiting positions or refraining from investing in an issuer's debt, where aligned with client guidelines. These actions are most impactful when combined with direct communication to issuers, clearly articulating how sustainability risks, credit considerations or environmental and social impacts influence our investment decisions.

Where engagement indicates that material risks are not being adequately addressed or compensated, this may alter our view of the issuer's relative value and lead to portfolio adjustments across strategies. In addition, a loss of confidence in how issuers manage their most significant impacts, which may not be credit-material, may result in a downgrade of the Impact Rating, which can drive divestment or exclusion in strategies with explicit sustainability objectives. As debt markets require issuers to refinance regularly, these capital allocation decisions and the associated feedback, even where we do not hold the issuer's debt, can provide a meaningful and ongoing mechanism to influence issuer behaviour.

Following meaningful engagement, a summary and assessment are recorded in an internal cloud-based tool accessible to portfolio managers, credit analysts and other authorised users across the business. These records support monitoring of sustainability-related interactions with issuers, provide helpful insights to our investment process and enable client reporting.

Terms amendments for securitised products

Transaction structures and documentation packages for securitised products

Understanding the terms and conditions of indentures, contracts, prospectus supplements and related transaction documents is central to our due diligence for securitisations.

At the transaction level, our securitisation documentation underwriting begins with the initial offering materials and, depending on the type of transaction, the prospectus, private placement or offering memorandum, and the indenture or equivalent documentation. Depending on the structure, we may also focus on:

- The structural features of the transaction, especially provisions and definitions that may directly or indirectly affect the cash-flow waterfall.
- Events of default or any intercreditor rights, as well as any redemption rights provided to the sponsor or equity class.
- Any class of amendments that can occur without noteholder consent.
- Amendments that require a noteholder vote, including quorum requirements, threshold levels for approvals, and the mechanical notice process to call a meeting or respond to a written resolution.
- The ability of the sponsor to amend the governing documents (e.g. the indenture or pooling and servicing agreement) to conform to the offering materials, or vice versa; representations and warranties, if any, provided by the seller or sponsor; and the rights and responsibilities of key transaction parties including independent third parties such as the servicer, administrative agent and trustee.

For new issues, depending on the sector and specific investment opportunity, we may negotiate transaction terms with issuers and sponsors to improve credit protections and governance on behalf of our clients. We may also request enhanced reporting packages and actively negotiate transparency provisions where we consider the proposed or existing reporting insufficient for our surveillance requirements.

Following the closing of a transaction, we seek to obtain final transaction documents from the arranger, trustee or public filings. Access to non-public documents depends on the transaction and local market practices of the trustee.

Impairment rights in securitised products

In consumer ABS and RMBS markets, our credit underwriting begins with analysis of the sponsor, originator and servicer. Before investing with a new sponsor, we conduct due diligence to understand a sponsor's business front to back, including the business model, origination process, underwriting standards and servicing practices. This review can be done on site, remote, or a combination of both; this is determined by sponsor profile and business model, asset class or operational complexity. Examples of areas where we focus: late-stage delinquency management, charge-off policies, modification practices, complaint handling, regulatory compliance, sustainability approach, audit controls, operational infrastructure, reporting integrity and fraud-risk controls. Once onboarded, our credit analysts maintain ongoing dialogue with the sponsor and monitor collateral performance, servicing outcomes and material developments through the life of the investment.

In the CLO market, we pay special attention to the rights of equity tranche holders. Given concerns around weaker loan covenants and opportunistic behaviour by some investors that may disadvantage CLO investors, we seek to balance giving equity investors and CLO managers the flexibility to defend the integrity of CLO collateral with the need to protect senior debt holders from structural features that could allow equity investors to prime other securitisation participants.

In the CMBS market, we focus on the rights of the controlling class holder and the special servicer. Wherever feasible, we seek to negotiate documentation provisions that curtail the ability of controlling class holders to engage in self-dealing — such as purchasing REO from SPVs or pursuing amend-and-extend activity at the expense of more senior debtholders.

Industry initiatives in public credit

While most of our issuer engagements are conducted bilaterally, industry engagement is an important component of effective stewardship. Our research analysts participate in initiatives and working groups most relevant to their respective markets and investment approaches. Industry initiatives enable investors to pool resources, share insights and expertise on sustainability-related topics, promote best practices and add weight to issues of common concern. By contributing deep asset-class expertise, we seek to increase the likelihood of creating credible, value-enhancing market improvements.

We actively participate in the following industry initiatives and working groups:

- Center for Real Estate Finance Council (CREFC): Property Risk & Resilience Steering Committee
- Emerging Markets Investor Alliance (EMIA)
- European Leveraged Finance Association (ELFA): ESG Committee
- The Institutional Investors Group on Climate Change: Emerging Markets Working Group Active Participant and Just Transition Working Group
- Principles for Responsible Investment (PRI): Securitised Products Advisory Committee
- Partnership for Carbon Accounting Financials (PCAF)
- Partnership for Biodiversity Accounting Financials (PBAF)
- Access to Medicine Foundation (AMF)
- The FAIRR Initiative (FAIRR)

PRIVATE CREDIT

Managing Investment Risks and Opportunities

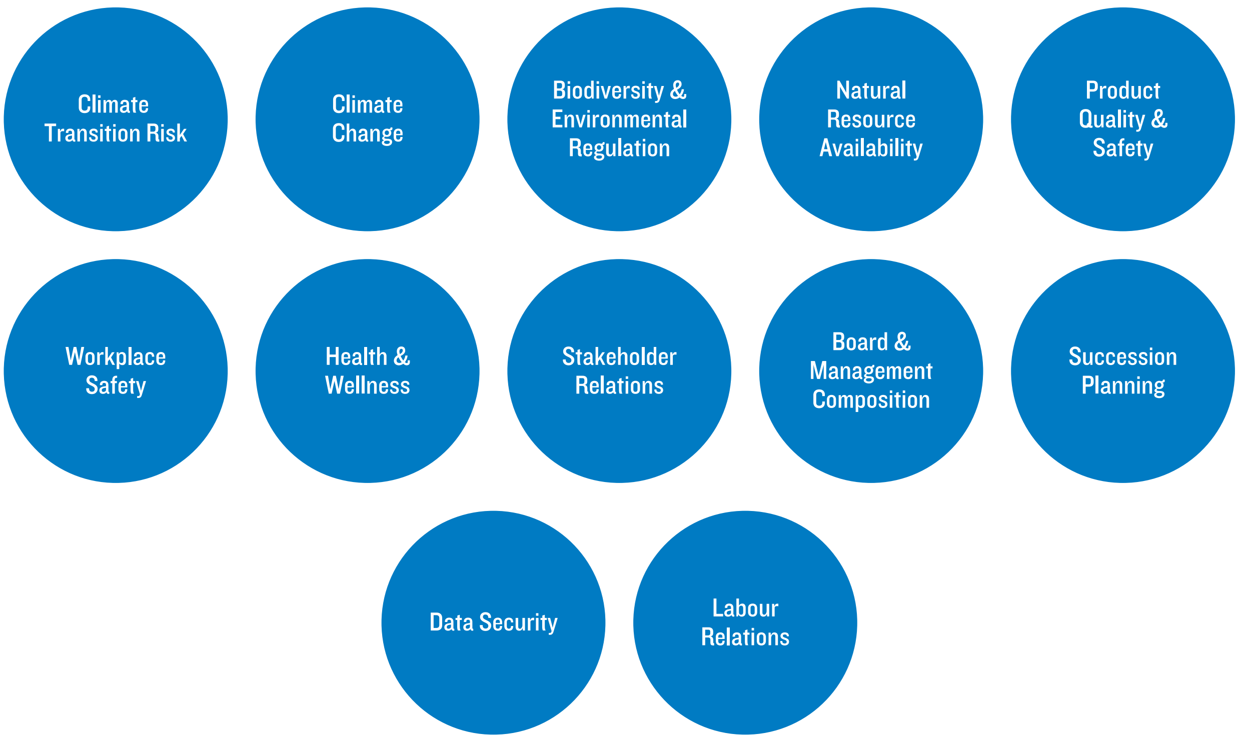
We integrate financially material sustainability factors into our private credit investment process, reflecting the long-term investment horizons and sustained borrower relationships that characterise the asset class.

Our sustainability risk assessment is supported by a proprietary Sustainability Risk Rating framework that guides investment teams in evaluating sustainability factors and their credit risk materiality. We analyse and document sustainability risks both at the time of investment and throughout the holding period as an explicit part of portfolio monitoring. Credit-material sustainability factors form part of our overall risk management process and are one of many considerations that may, depending on the specific opportunity, be relevant to our assessment of overall risk.

Given the more limited sustainability disclosure typical of private markets, standardised sustainability data across portfolio companies is often unavailable. While our private credit teams draw on a variety of data sources as part of their comprehensive investment processes, we predominantly rely on internal research and assessment for sustainability analysis. We supplement these insights through ongoing engagement with portfolio companies to improve data quality and support risk mitigation over the life of each investment.

In 2026, our public and private credit teams developed a Sustainability Risk Rating framework, building upon the framework previously applied to private credit strategies. The framework includes an explicit assessment of material sustainability risk factors, as detailed below.

Sustainability Risk Factors [15]



The framework includes guiding questions tailored to each factor, prompting investment teams and credit analysts to consider material environmental, social and governance risks in the context of each investment. These questions address relevant financial, regulatory, market or reputational risks to the issuer.

[15] In 2025, these were known as ESG Checklist Factors and included the following 12 factors: Climate Regulation, Climate Change, Habitat, Sustainability, Product Safety, Workplace Safety, Health & Wellness, Stakeholder Engagement, Board Composition, Succession Planning, Data Security, Labour Relations.

Guided by these questions and supported by qualitative analysis, investment teams assign each of the twelve factors an individual risk rating using our proprietary scale:

0	No Risk	**Not a relevant risk.** May include extremely remote, inconsequential or implausible risk.
1	Low Risk	**Not significant credit risk.** The risk is not a key risk or unlikely to materialize.
2	Moderate Risk	**An investment consideration.** Could be a key risk but is considered manageable.
3	High Risk	**Likely listed as a key investment risk.** Key risks are more likely or difficult to manage and more likely to correlate with a material event or controversy.
4	Severe Risk	**Critical credit issue. Impacts credit quality and/or valuation of the asset.** Rare. Most likely to manifest over time and most often appear in conjunction with credit downgrades or other credit issues.

A proprietary blended score and aggregate risk rating are then calculated using a sector-agnostic aggregation of the twelve individual factor ratings. Together, the Blended Score and Aggregate Risk Rating provide insight into an investment's overall level of sustainability-related risk.

Low Aggregate	Mid Aggregate	High Aggregate
Blended score < 1.0	Blended score ≥ 1.0 and < 1.75	Blended score ≥ 1.75
	Any single 3-High Factor Rating	Any single 4-Severe Factor Rating

ESG blended score and aggregate risk example

Client Regulation	Climate Change	Habitat	Sustainability	Product Safety	Workplace Safety	Health & Wellness	Stakeholder Engagement	Board Composition	Succession Planning	Data Security	Labour Relations
0	2	1	1	0	1	0	0	1	0	1	0

Blended score is calculated as the average of the 12 squared ESG factor ratings

.75
Blended Score
= Low Aggregate Risk

< 1 Blended Score and Max Rating of 2-Moderate corresponds to LOW AGGREGATE RISK

Sustainability Solutions for Clients

We provide private credit investment solutions aligned with client objectives and guidelines, prioritising their best financial interests. We seek to understand each client's investment objectives, parameters, risk and return expectations, time horizons, and any specific sustainability preferences.

We offer a number of SFDR Article 8 private credit strategies that include capabilities such as exclusionary screening and carbon-intensity targets.

Active Stewardship

Our private credit network of 15 offices around the world provides direct market access and local insights, enabling us to build lasting relationships with borrowers. We maintain active dialogue with the companies and institutions in which we invest, meeting face-to-face with many borrowers several times a year. Our expected holding period for many investments is ten years or more, and we maintain continuous investment relationships with many businesses and institutions extending over several decades.

Engagement with borrowers

Our private credit investment teams engage regularly with portfolio companies to deepen their understanding of business fundamentals and identify risks with potential material adverse credit impact. This ongoing engagement is a critical part of our investment process. As primarily a debt investor, we use engagement as a tool to inform our sustainability risk analysis. For strategies involving junior debt and equity positions — where we do not benefit from the protections of senior lending — active stewardship may also include seeking board participation rights.

Where we identify sustainability-related risks, engagement may include enhanced due diligence, transaction structuring, requests for improved disclosure, identification of sustainability improvement opportunities, or the sharing of best practices. The scope and duration of each engagement are tailored to the issuer, sponsor and nature of the issue.

Industry initiatives in private credit

As noted above, participation in industry initiatives is an important element of our credit teams' approach to effective stewardship. In private credit, we support the ESG Data Convergence Initiative (EDCI) to improve the consistency, comparability and transparency of ESG-related data in private markets.

Within our direct lending strategies, a key data collection tool is our ESG Borrower Due Diligence Questionnaire, developed by senior investment professionals in collaboration with sustainable investment specialists. The questionnaire includes EDCI-aligned ESG metrics alongside proprietary, strategy-specific questions to support diligence and ongoing reporting. The resulting data supports the early identification of material sustainability-related risks and opportunities, informs our proprietary risk assessments, enhances portfolio-level sustainability data quality, and underpins ongoing, data-driven engagement with portfolio companies.

PRIVATE MARKETS SECONDARIES (MCP)

Governance

Within our secondaries investment group, known as MCP, sustainability governance is overseen by senior management. The Chief Operating Officer and Head of ESG of MCP is responsible for implementing sustainability policies and processes. The Investment Committee approves investment recommendations and serves as the conflict resolution body for sustainability risk matters related to investment activity. Sustainability risk updates are submitted to the Executive Committee and the Board of Directors, and sustainability is a standard item reviewed by the group's operational risk committee.

Managing Investment Risks and Opportunities

In private equity and private credit secondaries, we are typically one step removed from underlying portfolio companies. Our sustainability risk framework therefore focuses on assessing risks at the General Partner (GP) level, across underlying fund investments, and, where data is available, at the level of underlying portfolio companies.

GP risk assessment:

Where transaction dynamics allow, for example in GP-led transactions, selective LP-led transactions and fund-of-fund secondaries, we conduct a sustainability risk assessment based on a questionnaire aligned with the ILPA ESG Assessment Framework.[16] This covers GP policies, commitments to industry standards, governance, communication and investment process integration. Where completion of the questionnaire is not feasible, we prepare a qualitative risk assessment using publicly available information, with outcomes incorporated into the investment decision-making process.

Portfolio company risk assessment:

We use an external ESG risk rating provider that evaluates issues and topics based on UN Global Compact principles,[17] SASB standards,[18] and publicly reported sustainability incidents by sector and company to inform our investment decision-making process. In addition, individual portfolio companies are screened against our high-risk industry list, as outlined below.

High-risk industries:

For our private secondary strategies, we have identified industries that, in our assessment, carry excessive sustainability risk and have established screening and exclusion principles with acceptability thresholds based on the specific characteristics of each activity. These thresholds are set at 1% or 5% of a transaction's Fair Market Value (FMV), depending on the nature of the activity.

Tier 1 activities — subject to a 1% FMV threshold — include:

- Production, trade or distribution of controversial weapons, such as anti-personnel landmines or cluster munitions, and of weapons outside the defence industry of non-sanctioned countries (as designated by US OFAC, the United Nations or the European Union)
- Production, distribution or trade of pornographic products, or any activity involving prostitution
- Production, trade or distribution of tobacco (excluding companies involved in the supply chain for non-tobacco components of tobacco products)
- Business activities expressly prohibited under international conventions — including those addressing racial discrimination, discrimination against women, civil and political rights, economic, environmental, social and cultural rights, the rights of the child, and the rights of persons with disabilities

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16 ILPA ESG Assessment Framework: https://ilpa.org/wp-content/uploads/2024/09/2024-ILPA-ESG-Assesment-Framework_PDF.pdf

17 UN Global Compact : https://www.unglobalcompact.org/what-is-gc/mission/principles

18 SASB Standards https://www.sasb.org/

Tier 2 activities — subject to a 5% FMV threshold — include:

- Gambling
- Production, trade or distribution of alcohol (excluding wine and beer)
- Oil sands activities, including extraction, or a combination of oil sands and coal activity
- Thermal coal mining (including companies whose primary business is energy generation through thermal coal) or fracking in relation to natural resources
- Production or trade in unbonded asbestos fibres
- Drift net fishing in the marine environment using nets exceeding 2.5 km in length
- Trade of wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)

The tiers were determined based on our assessment of the severity of the risks associated with the listed activities and the potential adverse impacts that such activities may cause. From a financial materiality perspective, we consider that activities with more severe potential impacts may translate into higher financial risks for the business. The tiering therefore reflects the relative financial materiality of these risks.

	GP-led Transactions	LP-led Transactions	FOF Transactions
Screening of underlying companies against high-risk industry list (>1% of a transaction's FMV for Tier 1 Industries; >5% for Tier 2 Industries)	X	X	Subject to portfolio company information availability
ESG risk assessment of underlying portfolio companies through ESG rating system for all companies with relevant exposure (>3% of a transaction's fair market value)	X	X	Subject to portfolio company information availability
GP sustainability risk assessment through proprietary questionnaire	X	Subject to GP access/info availability. Qualitative assessment in alternative.	Subject to GP access/info availability. Qualitative assessment in alternative.

Ongoing monitoring

Post-investment, due diligence activities are repeated periodically — quarterly for portfolio companies and annually for GPs — to support ongoing sustainability risk monitoring. Changes in ratings and sustainability incidents are reviewed in detail by our ESG Taskforce, with escalation to deal teams and GPs where required.

This monitoring is supported through regular engagement with GPs, including an annual portfolio-wide sustainability survey and quarterly risk reviews covering high-risk industry exposure and sustainability-related risk events.

	Frequency	Governance & Process	Dissemination & Reporting
Sustainability risk assessment of underlying portfolio companies: RepRisk rating check & high-risk industry exposure monitoring	Quarterly	Performed by the ESG Taskforce	Outcome included in annual sustainability reporting
GP sustainability risk update through proprietary questionnaire	Annually	Performed by portfolio GPs and reviewed by the ESG Taskforce	Outcome included in the Annual Sustainability Report

Active Stewardship

Given the indirect nature of ownership in secondaries, our stewardship and engagement activities are focused on the fund managers we partner with rather than on underlying portfolio companies directly.

Where we identify significant sustainability risks or incidents during due diligence or monitoring — and where no appropriate mitigation can be identified through information available to us — we escalate to the relevant partner GP. Our approach is collaborative, focused on identifying practical solutions rather than imposing prescriptive outcomes.

Where appropriate, and only with GP consent, we engage in sustainability dialogues with underlying portfolio companies. As part of our annual GP monitoring survey, we also offer portfolio GPs the opportunity to engage with our ESG Taskforce to exchange views and best practices on the evolution of their sustainability policies, processes and performance.

PUBLIC EQUITIES

FUNDAMENTAL EQUITIES (JENNISON)

Governance

Our fundamental equities investment group, Jennison, is operationally independently managed, with responsibility for strategic direction, product development, investment research, investment processes and business planning resting with the group's management. These activities are overseen by the Jennison Management Team (JMT), the investment group's senior governing body, which holds ultimate responsibility for sustainability and stewardship. Oversight is provided by the Sustainability Governance Council, chaired by the Head of Sustainability for fundamental equities, which monitors policies, facilitates discussion and is supported by working groups focused on specific initiatives.

Managing Investment Risks and Opportunities

Within our fundamental equities investment group, integrating financially material sustainability considerations is an integral part of the bottom-up research process, aligned with the objective of generating superior long-term investment performance for clients.

Sustainability considerations are incorporated through forward-looking fundamental research focused on financial materiality. Our Sustainable Investment Framework combines proprietary analysis with industry-based standards — including SASB Standards (now part of IFRS) — to identify sustainability-related risks and opportunities most likely to affect company fundamentals over time, with an emphasis on issues material to a company's current and future operations, products or services.

Climate-related risks and opportunities are assessed where they could materially affect shareholder value over the short and longer term, including physical and transition risks as well as adaptation and mitigation strategies. Where relevant, we analyse companies' greenhouse gas emissions profiles and management practices, including estimating costs under potential carbon pricing scenarios. For carbon-intensive sectors, we conduct stranded-asset risk modelling to understand the potential impact of carbon pricing on cash flows. Transition pathway models are reviewed where appropriate, comparing a company's historical and projected emissions intensity against industry averages and International Energy Agency (IEA)-aligned growth projections.

We also consider the impact of companies' operations on climate change and alignment with sustainable infrastructure goals. Climate solutions are assessed using our proprietary Scope 4 emissions methodology, which quantifies the decarbonisation potential of products and services, supporting the evaluation of companies that contribute to global emissions reductions. These assessments are complemented by focused company engagements to deepen our understanding of climate-related risks and opportunities and provide insights into emissions management and climate strategies.

Our equity and sustainability analysts assess material environmental and social factors alongside other drivers of risk and return, supported by company engagement and ongoing monitoring of relevant third-party data and controversy assessments. This integrated approach enables sustainability considerations to inform research insights, stewardship priorities and capital allocation decisions as part of the overall investment process.

Jennison's Sustainability Research is integrated into the overall investment decision process

Identify Material Key Issues by Industry →	Perform In-Depth Company Research →	Engage →	Monitor
77 industries Over 200 Key Issues Including: • Carbon Emissions • Energy Mgmt • Human Capital Mgmt • Supply Chain Mgmt • Data Security/Privacy • Business Ethics • Corporate Governance	Evaluate material risk exposures, controversies, and trends ↓ Identify alignment to sustainable development goals (SDGs) ↓ Proprietary assessment and scorecard	Seek to build long-term relationships, and engage management teams on key issues when necessary	Continuously evaluate material ESG risk factors, sustainable investment criteria, and SDG alignment

← Integrated Fundamental Research →

Sustainability Solutions for Clients

We have developed sustainability-focused fundamental equity strategies for clients seeking to catalyse positive environmental and social outcomes while achieving long-term value creation. These strategies integrate sustainability analysis and stewardship directly into the investment process through rigorous, forward-looking fundamental research that treats environmental, social and governance factors as material drivers of risk and return.

Our high-conviction, bottom-up approach reflects the view that sustainability factors shape competitive advantage, growth durability and risk profiles over time, and that long-term financial value and positive real-world outcomes can be mutually reinforcing. These strategies seek to identify market leaders addressing key environmental and social challenges while delivering attractive long-term returns.

Alignment with UN sustainable development goals

We offer a high-conviction global equity strategy structured around three innovation pillars, aligned to selected UN SDGs considered to offer compelling long-term investment potential: Good Health & Well-Being, Inclusive Growth and Environmental Sustainability.

The analytical framework draws on materiality-focused sustainability research informed by IFRS standards and proprietary insights, assessment of impacts on future cash flows and risk across time horizons, and ongoing monitoring of sustainability-related risks, controversies and regulatory developments. Fundamental research is supplemented by active stewardship, with engagement outcomes feeding directly into investment decision-making.

The United Nation's sustainable development goals inform our investment framework

The Strategy focuses on a select group of SDGs that we consider the most compelling investment opportunities, informed by three pillars of innovation that aim to make a positive global impact:

Good Health & Well-Being

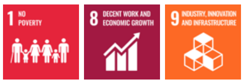
We seek advances in medicine and healthcare products that transform treatments and enhance clinical outcomes, ultimately improving the quality and longevity of life.

- **Advances in medicine and lifestyle:** improving quality and longevity of life.
- **Healthcare innovation:** Companies delivering transformative treatments.

Inclusive Growth

We invest in innovations that empower individuals and communities, improving global living standards. This includes technological advancements that boost productivity, connectivity, and financial inclusion, as well as human capital elevation through investments in companies dedicated to workforce education, skills advancement, and community development.

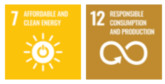
- **Elevation:** Companies creating meaningful jobs with fair conditions.
- **Technological progress:** Firms enhancing connectivity and access to digital services.



Environmental Sustainability

We focus on transformative companies that facilitate the energy transition by innovating energy production, consumption, and efficiencies. Additionally, we invest in companies rethinking the production and use of goods to promote sustainable consumption.

- **Low-carbon transition:** Transforming energy production and consumption.
- **Energy efficiency:** Innovations in buildings, processes, and data centers.
- **Sustainable consumption:** Rethinking how goods are made and used.

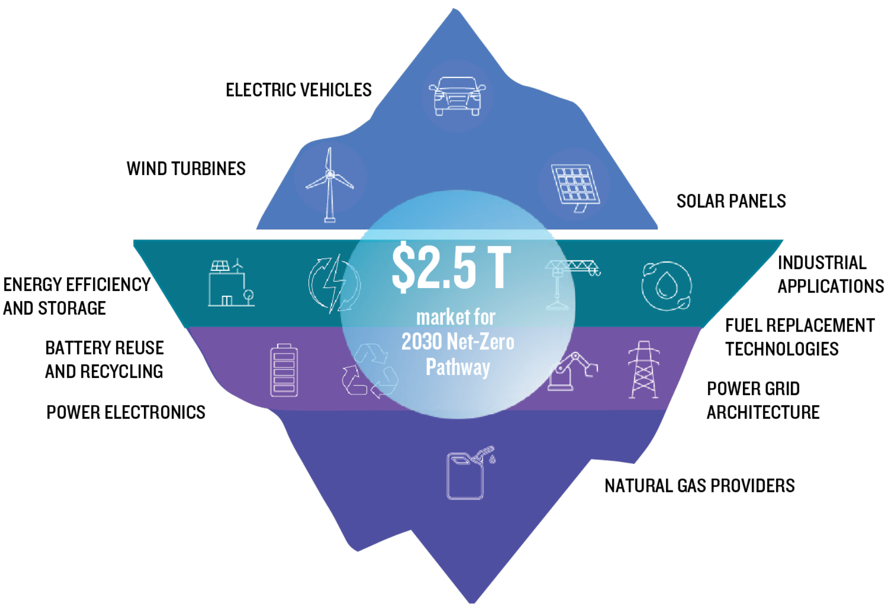


Global energy transition

For clients seeking exposure to the multi-decadal global energy transition, we offer a high-conviction strategy investing in companies enabling emissions reduction through products, services or infrastructure.

The approach is grounded in pragmatic expectations regarding the scale and duration of the transition, and incorporates Scope 4 (emissions avoided) alongside Scope 1, 2 and 3 emissions, recognising that operational emissions alone may not capture companies enabling economy-wide decarbonisation. The strategy targets underappreciated contributors to emissions reduction across multiple sectors, rather than focusing solely on companies that are already low-emissions.

Engagement priorities are selective and materiality-driven, covering areas such as transition planning, capital allocation, disclosure quality and governance oversight, with escalation and proxy voting integrated into our broader responsible investment framework.



Active Stewardship

Engagement with investee companies

Engagement with company management is an integral component of our fundamental investment process, complementing bottom-up research by enhancing our understanding of issuer strategy, competitive positioning and the management of material risks and opportunities, including those related to sustainability.

We take a targeted approach: equity investment professionals identify companies for engagement on specific financially material issues relevant to their fundamental analysis. In coordination with sustainability specialists, they identify engagement priorities where sustainability factors may be materially relevant, with depth and focus tailored to the issuer, sector and industry-specific materiality. We believe this targeted approach provides the greatest benefit to our investment process and aligns with our core investment philosophy — active management grounded in fundamental analysis. In all cases, we seek to act consistently with our fiduciary duty.

We maintain regular dialogue with issuers of securities held in our fundamental equity portfolios, as well as other companies within our investment universe. Engagement is typically initiated prior to investment and continued as part of ongoing monitoring, reflecting the view that active ownership extends beyond the initial investment decision. When initiating an engagement, we generally seek to:

- Obtain information to test or confirm our investment thesis, or inform our proxy voting analysis
- Share our perspective with an issuer on a particular matter
- Accommodate an issuer's request to share information or perspectives with us

We engage through a variety of channels, including written communications, in-person meetings, conference calls and industry conferences, typically involving a company's executive leadership and relevant subject-matter experts such as legal, sustainability and investor relations teams. The format of each engagement may vary depending on objectives and may take place individually or alongside other investors.

Ongoing monitoring tracks financial, governance and material environmental and social issues through company disclosures, management dialogues and financial media, helping to identify emerging risks and opportunities. We track and document engagements on our internal research platform, accessible to investment professionals across the group, enhancing transparency, ensuring consistency and facilitating knowledge-sharing in support of informed decision-making. We provide customised engagement reports to clients on request and continually seek to improve our reporting capabilities on stewardship and specific sustainability risks.

Engagement enhances our understanding of opportunities and risks, informs our growth and valuation expectations, and ultimately shapes our investment decisions. We believe these discussions also inform company management of shareholder perspectives on actions that may enhance long-term financial and operational performance, strengthen governance, mitigate reputational risk and support shareholder returns. Where warranted, engagement is used to discuss improved transparency and disclosure, as well as companies' consideration of broader perspectives when making business decisions.

Initial engagement on a specific topic may lead to subsequent conversations to evaluate incremental change, including progress on company-stated goals or disclosure efforts. Where potential concerns or significant strategic developments arise, we may engage further with the company or incorporate this knowledge into pre-voting analysis of proxy proposals.

Where engagement objectives are not met, one or more investment teams may take action by reducing or eliminating a position, expressing views via proxy voting, or communicating views privately to the company. We measure progress against engagement objectives and consider escalation mechanisms when necessary, ensuring that our investment choices are well-informed, responsive and aligned with our commitment to long-term value creation.

Research & Prioritize →

- Bottom-up fundamental research
- Analyse key issues
- Recommend engagement (yes or no)

↓ **Do Not Engage**

Engage →

- If engagement is warranted, determine appropriate meeting type
- Portfolio Managers, investment analysts, and/or sustainability research analysts meet with company management
- Engagement is tracked and documented

↓ **Satisfactory Engagement**

Follow Up/Escalate

- If an issue is unresolved, we will monitor and consider following up with the company
- If company is unresponsive or progress is insufficient, may consider additional action

↓ **Monitor** → Satisfactory Engagement

↓ **Follow Up** ↓ **Proxy Vote** ↓ **Capital Allocation**

Industry Initiatives in fundamental equities

Where relevant to clients, we engage with policymakers on proposed regulations and regulatory consultations — in collaboration with other investment groups, or through industry groups and trade associations. In addition to the organisations of which PGIM is a direct member, our fundamental equities group is a signatory to CDP, the Access to Medicine Foundation and Ceres. We value the opportunities these groups offer to collaborate on industry feedback on regulatory initiatives, share best practices and market insights, and pursue engagement opportunities.

Proxy voting

Our proxy voting approach in fundamental equities is governed by the group's Proxy Voting Policy, which balances investment discretion with clear process guidelines to ensure votes are aligned with clients' best interests and the investment thesis. Voting decisions are made on a case-by-case basis, grounded in fundamental analysis, with particular attention to whether proposals support long-term value creation. The policy is reviewed regularly, and proxy voting records are disclosed to clients and publicly. For more information on our approach to proxy voting and voting records, see: https://www.jennison.com/gb/en/institutional/sustainability/proxy-voting

Investment professionals are responsible for evaluating and making the final decision on how to vote on each proposal. As part of their evaluation, they may consider proxy research from third-party providers, voting recommendations from the sustainability team on certain material sustainability-related proposals, and information from engagement meetings.

All proposals are carefully reviewed, including shareholder proposals, which the team may or may not support. Reasons for not supporting a shareholder proposal include cases where management is already taking steps to address the issue, or where the proposal is assessed as overreaching, lacking merit, or seeking to address matters not currently or potentially material to the company. In some cases, we may determine that the best course of action is to continue to engage — particularly when we know management is already considering the issue raised.

QUANTITATIVE EQUITIES

Within our quantitative equities investment group, we actively manage equity portfolios using data in mathematical models to systematically identify attractive investment opportunities with consistent and robust risk management.

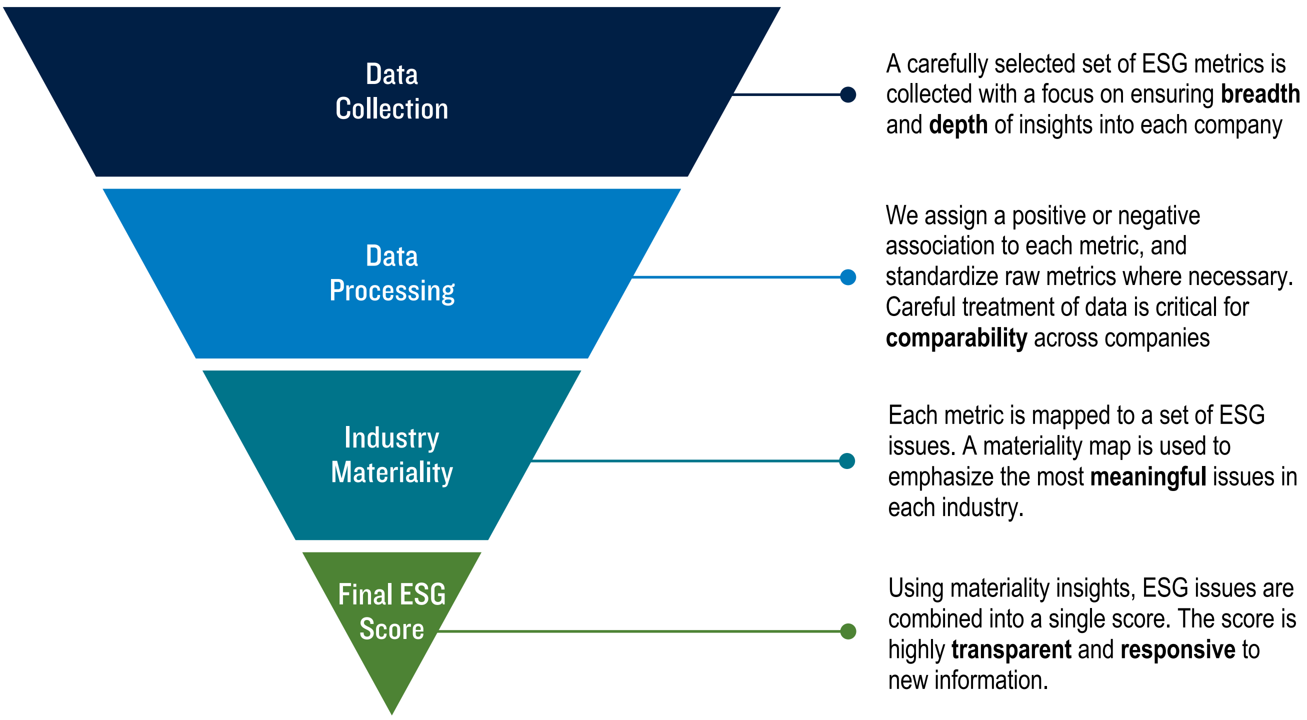
Governance

Our Sustainability Executive Council oversees the investment group's sustainability and stewardship efforts. It comprises senior executives including the quantitative equities investment group's Chief Investment Officer, the Head of Quantitative Equity Research and Sustainable Investing, and the Executive Director of Stewardship. The Council sets strategic priorities, guides the sustainability research agenda and meets biannually.

Managing Investment Risks and Opportunities

In our quantitative equity strategies, sustainability factors are integrated within a broader data-driven assessment of return drivers and sources of risk subject to data quality and financial materiality. We use an industry-based materiality framework informed by SASB standards to identify sustainability-related risks and opportunities that may contribute to unexpected performance shocks. Multiple data sources and proprietary research are used to curate financially material metrics, which we synthesise into transparent, proprietary risk scores applied consistently across the investment universe.

A research-driven, quantitative approach is used to evaluate material events risks and model ESG behaviors across a global universe of securities



Climate-related risks and opportunities are assessed using metrics related to emissions, resource use and exposure to environmental regulation. These are translated into proprietary, bias-adjusted scores and managed explicitly alongside traditional return drivers — such as valuation, quality and growth — within portfolio construction.

Sustainability attributes, including climate-related metrics, are evaluated consistently across the investment universe with sector and country differentiation, and balanced against risk and return objectives. This enables us to reflect climate risks and longer-term transition opportunities in stock selection and portfolio risk management:

- **Climate risks** include transition risks associated with the shift to a lower-carbon economy and physical risks related to the direct impacts of climate change.
- **Climate opportunities** include companies developing products and services that help mitigate or facilitate adaptation to climate change.

These insights are managed alongside valuation, growth, quality and traditional risk exposures within portfolio construction, supporting disciplined stock selection and risk management.

We also use stewardship as a risk-management tool, with engagement undertaken on material sustainability issues where appropriate.

Sustainability Solutions for Clients

Our sustainability-focused quantitative equity strategies are designed for clients specifically seeking exposure to companies with strong sustainability characteristics while maintaining disciplined portfolio construction. Using a systematic, data-driven approach, we score companies across a curated set of sustainability indicators, with attributes weighted by industry, geography and company-specific context.

The emphasis is on identifying companies that score highly on sustainability attributes and have attractive valuations and growth prospects. This enables us to evaluate financially material risks and broader sustainability attributes — including systemic issues such as climate, water use and human rights — across the full investment universe. Revenue alignment with the UN SDGs, derived using third-party data, is used as a proxy for impact and as a lens on longer-term secular growth. The resulting process is transparent, systematic and evidence-based, consistent with our quantitative investment philosophy.

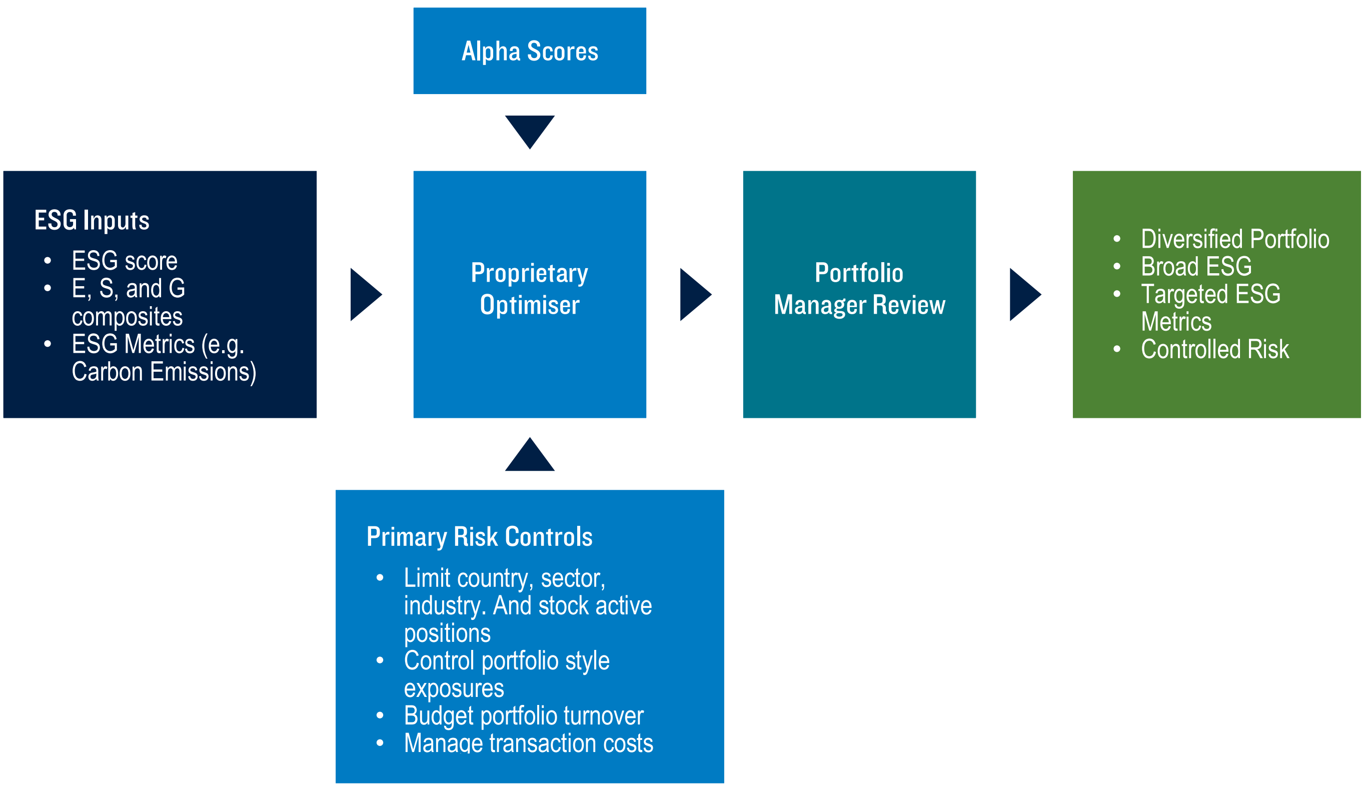
Sustainability and impact scores are integrated alongside traditional return drivers and risk controls, allowing portfolios to balance sustainability objectives with risk and return outcomes.

Leveraging our quantitative expertise, we can customise sustainability- and impact-focused portfolios to reflect diverse client objectives — including thematic exposure to specific SDGs or climate-related goals — delivered as standalone strategies or overlays to broader equity allocations.

Illustrative examples of how this approach informs portfolio construction are included in our [Activities & Outcomes Report].

Portfolio construction: balancing ESG with risk and return

The portfolio promotes a higher overall ESG Score relative to the benchmark, while simultaneously accounting for risk and return



Active Stewardship

Engagement with investee companies

For our quantitative equity strategies, stewardship is implemented through a structured, collaborative engagement approach, reflecting the highly diversified nature of our portfolios and the breadth of companies held. We participate primarily in third-party-led collaborative engagements, selecting initiatives that are aligned with client objectives and relevant to current holdings.

We prioritise engagements focused on financially material risks, initially identified by third-party providers and those that aim to enhance disclosure, assess mitigation actions and improve the quality of data available for investment decision-making. For selected portfolio holdings, we participate in calls with company management organised by the third-party provider, while retaining ultimate judgement internally Proxy voting may be used to escalate concerns where appropriate.

For sustainability-focused and impact strategies, engagement may extend to addressing violations of international norms, with unsatisfactory outcomes potentially leading to exclusion.

We also place emphasis on market-level engagement, collaborating with industry organisations, policymakers and regulators to support more consistent sustainability data and policy frameworks, complemented by active participation in investor and governance forums.

Industry initiatives

In addition to the sustainability organisations and initiatives supported by PGIM at the firm level, our quantitative equities investment group is a member of the International Sustainability Accounting Standards Board Investor Advisory Group (IIAG) and a signatory to CDP. We also contribute to PGIM's public policy engagement activities.

Proxy voting

Our proxy voting approach in quantitative equity strategies is guided by the team's Proxy Voting Policy and established voting guidelines, which reflect our views on corporate governance, material risks and other issues relevant to long-term performance, consistent with the principles applied in our investment analysis. The guidelines provide a decision framework rather than prescriptive outcomes, applied with discretion and taking into account company-specific circumstances and the potential economic impact of each proposal. Where proposals fall outside the scope of existing guidelines or warrant additional consideration, votes are determined on a case-by-case basis.

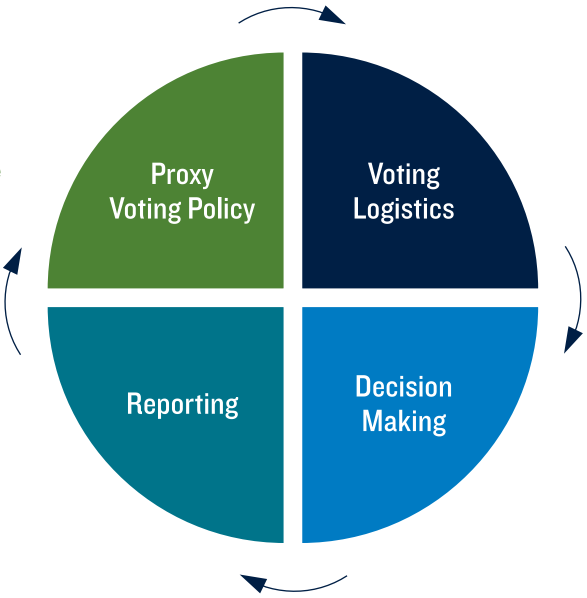
Proxy voting activities are supported by an independent proxy research provider, under our direction; we retain ultimate responsibility for voting decisions.

Proxy Voting Results are publicly available on our website.

PGIM proxy voting

- Custom policy, voting in-line with the "best long-term economic interest of clients"
- Reviewed annually by team
- Expresses views on corporate governance, environmental, and social topics

- Proxy voting guidelines established with vendor
- Vendor to vote in-line with PGIM Quant guidelines
- Research, analysis, and recommendations of ballot issues is made available by vendor
- Monthly, quarterly and yearly vendor oversight through reporting and meetings
- Quant team retains ultimate responsibility for voting decision



- Client reports
- Internal reports
- Voting metrics
- Custom policies
- Regulatory N-PX

- Conducted by the investment team
- Ballot issues not covered by policy will be voted manually
- Non-US securities are voted on a "best-effort basis"
- No voting on securities that are out on loan
- Conflicts of interest are voted in-line with proxy vendor policy
- Proxy voting overlay from engagements

REAL ESTATE SECURITIES

Governance

Our real estate securities investment team invests in the securities of listed real estate companies and real estate investment trusts (REITs). Our approach to sustainability is guided by the real estate group's Global Sustainability Council (GSC), which is accountable to the group's most senior governing body, the Global Management Council.

Managing Investment Risks and Opportunities

We invest in listed real estate companies and REITs using a value-oriented, multi-factor investment approach combining top-down fundamental analysis with bottom-up security selection and a focus on risk management.

Sustainability is an important part of our proprietary multi-factor valuation model, which incorporates sustainability data provided by GRESB and adjusts traditional real estate valuation metrics to achieve a warranted price target for every name in our benchmark.

Our ESG score assesses governance quality, ESG implementation, emissions reduction progress, social commitment and insights derived from direct engagement with management, drawing on company disclosures, case studies, building certifications and analyst interactions.

A proprietary ESG scoring framework is used as a material factor in our price target output for each company in the universe. It assesses the following five indicators:

- **Governance score:** A proprietary governance-ranking system accounts for multiple factors to create an overall governance quality score, including independent versus non-independent board composition, lengths of tenure of board members, proxy access, insider ownership of stock, non-staggered board, anti-takeover provisions and business conflicts of interest with executive management teams. ESG governance scores are also factored in because such rankings spotlight a REIT's commitment to continued ESG oversight.
- **ESG implementation score:** ESG initiatives, case studies, building certifications and energy ratings are used to derive ESG implementation scores.
- **Annual emission reduction score:** Disclosures from GRESB are used to compare REIT environmental standings based on environmental priorities for real estate equity investments. ESG case studies, building certifications, GHG emissions, waste management and water consumption rankings are used, and an overall resilience score is assigned for each REIT's portfolio.
- **Social commitment score:** Our methodology ranks companies based on disclosures with regard to diversity, stakeholder satisfaction and community engagement. REITs that provide this information in their annual ESG reports are rated on those factors. REITs' portfolio social standings are also assessed, including affordable housing benefits and walkability measures.
- **PGIM ESG platform assessment:** A scoring assessment based on our analysts' and property managers' interactions with REIT management teams regarding ESG matters.

We work continually with REITs' executive management teams to refine our process and increase transparency.

Active Stewardship

Engagement with investee companies

For real estate securities, active stewardship includes both engagement and proxy voting activities. As part of our sustainability engagement process, we meet annually with senior management of the REITs to discuss sustainability scores, priorities and progress.

REITs that demonstrate strengthened sustainability practices may see improvements reflected in return expectations and eligibility for additional investment within our real estate securities strategies, reinforcing the link between sustainability performance, valuation and capital allocation.

Proxy voting

For real estate securities, proxy voting is a core component of active stewardship, used alongside engagement to support investment themes and long-term value preservation. Where voting authority is delegated, we vote in clients' best interests, with a focus on transition risks, regulatory change and issuer resilience.

We apply our own proxy voting policy and assess proposals solely on whether implementation is expected to support shareholder value, taking into account industry, geographic and company-specific factors. As with other equity strategies, we do not outsource judgement to third-party providers, and the identity or motivation of proponents is not a determining factor unless explicitly directed by the client or product objective.

Sustainability-related proposals are evaluated through the lens of potential impact on company performance and value, with qualitative assessments tailored to each issuer's circumstances, even within the same sector.

REAL ESTATE

REAL ESTATE

Governance

Within our real estate investment group, the Global Sustainability Council (GSC) serves as the central forum overseeing sustainability and stewardship. Chaired by the Head of Sustainability for Real Estate, the GSC advises on strategy, oversees key programmes and tools, and ensures consistency across regions and asset classes. The GSC is accountable to the Global Management Council, the group's most senior governing body.

Regional sustainability councils and executive councils translate global priorities into region-specific implementation, monitor progress and ensure compliance with local regulations and market standards. Stewardship oversight is embedded within regional investment committee governance, reinforcing that stewardship is integral to investment decision-making.

Managing Investment Risks and Opportunities

The concept of materiality is the primary lens through which we integrate sustainability factors. Our real estate sustainability strategy is focused on building value and future-proofing investments and structured around three pillars:

- **Reducing carbon** — focused on energy management and renewable energy provision to reduce operating expenses, improve net operating income and address the sector's significant contribution to global emissions. This priority is supported by the real estate equity group's net-zero goal to reduce operational carbon in landlord-controlled spaces by 2050.
- **Enhancing resilience** — building the capacity of assets to withstand catastrophic weather events such as flooding and wildfire, and aligning with regulatory environments increasingly geared towards a low-carbon economy, to ensure continued usability and liquidity.
- **Building value** — engaging to achieve tenant and borrower satisfaction through proactive service quality, operational efficiency and health and wellness, creating more productive spaces and improving asset performance.

Key performance indicators aligned to these pillars are integrated explicitly and systematically into investment analysis and decisions to help manage risk and support attractive returns.[19]

[19] Our goal is to ensure the equity real estate assets for which we maintain landlord operational control are net zero by 2050, aligned with the Urban Land Institute (ULI) Greenprint Net Zero by 2050 goal (Track 1), focused on reducing Scope 1 and Scope 2 greenhouse gas emissions from landlord-controlled spaces.

Real estate sustainability strategy: reducing carbon, enhancing resilience, building value

	Environmental	Social		Governance
Focus Areas	Carbon	Engagement	Tenants & Communities	Resilience and Adaptation
			Borrowers	Sustainability Integrated into Value
			Partner & Supplies	
Global Ambitions The ambitions are achieved through the work undertaken across the sustainability strategy's focus areas.	Net Zero by 2050	Landlord of Choice		Investor of Choice
		Lender of Choice		
Global Foundations The foundations allow the sustainability strategy to be successfully implemented, tracked, and adjusted across the business	Governance and Risk Management			
	Transparent and Disclosure			
	Data Management and Intelligence			

Real estate equity

Acquisition: For all new equity acquisitions, we complete comprehensive due diligence under a structured framework using independent specialist consultants. Material sustainability factors evaluated include property-level energy ratings and performance, alignment to CRREM decarbonisation pathways[20] (UK and Europe), exposure to market-specific transition risks (such as building performance standards and energy ordinances), location-specific physical climate risks (such as flooding and wildfire), and other regionally material attributes such as green building certifications and on-site renewables.

We also assess property-level sustainability attributes using a proprietary scorecard structured around environmental, social and governance (resilience) pillars. Assets are rated below-average, average or above-average, with below-average scores requiring enhanced justification.

The analysis of investment-critical sustainability factors is presented to the investment committee using a traffic light prioritisation system, with mitigation measures identified, priced and capital expenditure explicitly underwritten within the financial analysis. The output of the scorecard is also presented to the investment committee for Europe and Asia Pacific, with opportunities for sustainability performance improvement identified and priced.

Post-investment: After acquisition, material sustainability factors are managed through bi-annual portfolio reviews, with sustainability progress evaluated, as appropriate, through the annual GRESB assessment.

The sustainability section of each portfolio review includes consistent, comparable disclosures — including data and certification coverage and core climate-related metrics. These encompass backward-looking metrics such as greenhouse gas emissions (Scope 1, 2, 3 and total) and, where available, forward-looking metrics such as energy and carbon intensity targets aligned to CRREM 1.5°C pathways. Climate change risk exposure analysis (under the RCP 8.5 high-emissions scenario on a 2050 horizon) is presented alongside commentary on mitigation strategies. This consistent approach has helped portfolio teams plan strategically and enhance their response to climate risks.

Our strategy is data-driven. All equity investments are onboarded to our SaaS platform (Deepki), which automates landlord and tenant utility data flows as much as possible, tracks environmental performance at the asset level (energy consumption, greenhouse gas emissions, water usage, waste generation, energy ratings and green building certifications), and enables detailed analysis of consumption patterns to identify inefficiencies. The platform also provides asset-level analysis and assessment of physical climate risks via an API to Munich RE's Reporting Edition, covering current risks and projections to 2100 across the latest IPCC scenarios.

[20] CRREM is the global standard to align real estate with climate goals and manage transition risk. It is noted that not all CRREM pathways are appropriate to countries, states and assets, however it provides one of several, useful benchmarks to evaluate performance. CRREM https://crrem.org/

We commission detailed energy, water and waste audits on a prioritised basis for assets that benchmark poorly or are exposed to building performance standards and energy ordinance. Climate risk audits are similarly prioritised for assets with high exposure to location-specific material physical risks. We adhere to regionally appropriate in-use green building certification standards, including BREEAM[21] and LEED[22], to guide sustainable improvements in operational performance. Obtaining certifications enhances marketability to tenants and on exit provides transparency to sustainable building standards and practices.

Sustainability improvements are planned and tracked through detailed Investment Plans on the SaaS platform. These include asset-by-asset assessments covering proposed or planned capital expenditure improvements — such as energy or water efficiency measures, adaptation measures and waste separation — over a multi-year period. Plans are aligned with sustainability and return objectives of the funds and informed by acquisition due diligence, portfolio reviews, completed audits, in-use certification action plans, our Sustainable Standard Operating Guidelines (SSOG)[23] and GRESB trackers, as appropriate. Progress is actively monitored and energy and carbon impacts tracked against CRREM decarbonisation pathways. Together, the asset-level investment plans create a baseline of sustainability performance and reflect implementation status across each fund.

Redevelopment/Refurbishment: This is a key intervention point for improving the sustainability performance of our assets. All new developments and refurbishments follow our best practices for construction and major renovation, supported where appropriate by top-tier green building and energy rating certifications.

We have developed bespoke regional construction guides or prototypes. In the UK and Europe, our proprietary Sustainable Construction Framework sets out sustainability objectives and targets across three ambition levels — Baseline, Better and Best — ensuring that sustainability integration is proportionate to the development and optimises returns. The Baseline level, the minimum expected standard, promotes high operational efficiency, emissions reduction and a high-rated green building certification. The Better and Best levels target EU Taxonomy-aligned sustainable investments and Science Based Targets Initiative (SBTi) net-zero buildings criteria, respectively.

Baseline	Better	Best
Green building certification with mandatory credits towards decarbonisation. Accords with or SFDR Article 8 funds and Green Building Certification guide	Aligned to EU Taxonomy criteria; targeted to be classified as "environmentally sustainable"	Aligned to current Net Zero approaches in the market, including the UK Net Zero Building Standard (pilot version) and the Science Based Targets Building Criteria
Represents a minimum expected standard	Represents best practice	Represents exemplary performance

Agriculture

Acquisition: All agricultural equity investments undergo comprehensive due diligence and completion of a structured sustainability checklist aligned with Leading Harvest agricultural land practices. The checklist is incorporated into the investment committee report to inform discussions on material risks and opportunities and guide capital expenditure planning. It is dynamic, also used throughout active asset management to measure and track key sustainability metrics including energy, water and chemical inputs.

Post investment: All managed agricultural properties are enrolled annually within the Leading Harvest Standards as a framework to guide our sustainability practices.[24] The standard comprises 13 sustainability principles with corresponding objectives, performance measures and indicators of conformance, aligned with our sustainable farming principles. Third-party audits are conducted annually.

Real estate debt

Loan Orientation: For all new private real estate debt investments (commercial and agricultural), we complete a proprietary loan assessment on a similar basis to our equity business. Data is collected through borrower

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[21] BREEAM https://breeam.com/

[22] LEED https://www.usgbc.org/leed

[23] As part of our asset management protocol, we have also implemented Sustainable Standard Operating Guidelines (SSOG) to assist property managers in identifying opportunities to improve building efficiency, resilience, and tenant wellbeing.

[24] Leading Harvest provides industry-leading sustainability standards for global agriculture. https://www.leadingharvest.org/

questionnaires, sustainability-specific sections of independent due diligence reports commissioned under a structured framework, a third-party climate risk platform and local natural hazard risk mapping.

The assessment reviews exposure to market-specific transition risks (such as building performance standards and energy ordinances), location-specific physical climate risks (such as flooding and wildfire), and other regionally material attributes such as energy ratings and green building certifications. Investment-critical sustainability factors are presented to the investment committee using a traffic light prioritisation system. Mitigation measures are identified, priced and addressed through underwriting and loan structuring, including borrower covenants and ongoing reporting requirements. Standardised loan documentation also addresses environmental considerations.

Loan Servicing: Post-closing, sustainability considerations are monitored through loan asset management and servicing processes, with material issues escalated as part of ongoing risk management. KPIs collected during the loan assessment — such as energy ratings, green building certifications, sustainable practices, borrower alignment with sustainability initiatives and key collateral attributes — are stored on our proprietary Omnia system and inform portfolio construction decisions. This framework supports borrower engagement and contributes to more consistent, decision-useful investor disclosures, avoiding reliance on estimates where asset-level data is available.

Material sustainability factors are managed through bi-annual portfolio reviews, with sustainability progress evaluated through the GRESB Lender assessment.

As with our equity business, certifications such as LEED and BREEAM provide transparent, externally recognised indicators of sustainable building standards and practices. They form part of our broader approach to value protection and creation in real assets, increasingly aligned with evolving regulatory expectations in a lower-carbon economy.

Sustainability Solutions for Clients

A growing number of real estate clients incorporate sustainability-related priorities — including affordable housing, decarbonisation and biodiversity — into their mission and stakeholder objectives, viewing sustainability-focused strategies as a means of achieving measurable environmental and social outcomes alongside financial returns.

Consistent with our broader approach, we engage with clients to understand investment parameters, risk and return expectations, time horizons and, where applicable, sustainability preferences, ensuring that strategies are tailored to client objectives and implemented within a disciplined investment framework.

Thematic and impact-related solutions

Our approach to thematic and impact-related real estate strategies is grounded in a materiality-driven philosophy that integrates environmental and social characteristics across the investment lifecycle. Thematic strategies focus on structurally supported investment themes where sustainability outcomes are directly linked to long-term value creation.

Affordable housing represents a core social theme, seeking to address housing shortages while maintaining financial return objectives. We offer strategies that promote measurable social outcomes — including maintaining affordability within defined income thresholds — alongside environmental objectives such as improved energy efficiency and lower operating costs for residents, aligning social impact with financial performance.

Sustainability-focused products

We offer a range of products designed to promote specific environmental or social characteristics in accordance with SFDR Article 8 requirements. These products incorporate minimum performance thresholds — such as energy performance standards, green building certifications and affordability metrics — embedded into acquisition due diligence, investment committee decisions and detailed investment plans.

Alignment with the EU taxonomy [25]

For products with explicit EU Taxonomy (EUT) alignment, we operationalise the requirements within SFDR frameworks, integrating technical screening criteria into acquisition and development due diligence, particularly for climate change mitigation and adaptation.

EUT considerations for development are embedded within our UK and Europe Sustainable Construction Framework, which defines a three-tiered approach across the development and refurbishment pipeline and informs capital expenditure planning and asset-level transition strategies.

[25] The EU Taxonomy - https://ec.europa.eu/sustainable-finance-taxonomy/

Performance data tracked on Deepki — including access to climate risk datasets — supports robust measurement of energy performance, carbon intensity and physical climate risk, enabling substantiated assessments of EUT eligibility and alignment. Ongoing portfolio reviews, independent verification and standardised reporting templates support consistent, evidence-based disclosure of EUT alignment over time.

Active Stewardship

Across our real estate investment strategies, active stewardship is grounded in fiduciary duty and financial materiality. For both equity and debt, stewardship centres on direct engagement with partners, service providers, tenants, borrowers, investors and industry bodies, with the objective of managing material sustainability risks and opportunities that affect asset performance and long-term value.

Our engagement approach supports three objectives: enhancing risk-adjusted returns through effective risk management; strengthening relationships to be a landlord and lender of choice; and sharing information on responsible and resilient real estate practices aligned with regulatory and market standards.

Engagement priorities are informed by market research, regulatory developments, client expectations and regional materiality assessments, and typically focus on reducing carbon, enhancing resilience, operational performance and tenant well-being across the investment lifecycle.

Engagement with partners and service providers

We rely on a network of carefully selected vendors and service providers, consistent with PGIM's Third-Party Risk Management (TPRM) process. Inherent risk rating assessments and due diligence are conducted prior to awarding contracts, covering compliance and litigation history, dependency and reliability, information security and data risks. In the UK and Europe, service providers operating in sectors with heightened risk for modern slavery and human rights — such as construction — are subject to enhanced due diligence.

Discrete, time-limited engagements (e.g., transaction-related services) are governed through contract terms that set out required standards. Core, enduring engagements (e.g., valuers, property managers and fund administrators) are governed by service-level agreements (SLAs) defining required standards, performance expectations, monitoring requirements and provisions for remedies and penalties, subject to regular review.

The TPRM team conducts ongoing risk-based due diligence and monitoring of third-party engagements. In addition, the Operational Risk team oversees annual externally conducted Property Manager Reviews (PMRs), extended in the UK and Europe to cover property managers, operational joint-venture partners and management companies. Findings are reviewed across the business, action plans implemented where required, and summary results reported to relevant boards and executive councils.

Under the Operational Risk Framework, the Risk Event and Quality Control Error programme identifies and reviews material third-party incidents — such as performance failures, control issues or data breaches. Root causes and corrective actions are assessed with the provider, and remedial action plans are documented and tracked. Operational Risk analyses this data to identify trends or emerging risks, with material incidents reported to relevant boards and escalated as necessary.

Engagement with tenants (Real Estate Equity)

For equity investments, tenant engagement is a core stewardship mechanism, supporting building performance improvements, health, safety and wellness, and the management of sustainability-related risks during ownership. Our SSOG encourage engagement on energy efficiency, water use, waste management and occupant health and well-being.

Stewardship approaches are tailored to regional markets and lease structures, recognising that triple-net leases may limit direct landlord control. To address these constraints, we have established an occupier engagement programme to encourage data sharing and energy-efficiency improvements, supported by letters of authority or memoranda of understanding where feasible.

Engagement mechanisms vary across properties and regions but broadly include:

- **Green leases** — enhancing collaboration on building environmental performance through data sharing, target-setting, waste management strategies, energy consumption and other environmental factors.
- **Tenant satisfaction surveys** — biennial surveys covering property management, leasing, maintenance, property features, sustainability and general tenant satisfaction.
- **Sustainability attributes surveys** — undertaken every three years to assess asset-level environmental performance, gathering data on energy efficiency, building systems, water and waste practices, indoor air

quality (IAQ) optimisation and EV charging readiness across the global portfolio. Low-adoption practices inform priority opportunities at regional, fund and asset level. For the end of year 2025 cycle, surveys were issued to 688 property managers globally, receiving 655 completed responses (a successful 93% response rate).

- **Annual awareness campaigns and events** — global sustainability campaigns such as Earth Day, implemented at the property level throughout the year.
- **Green certifications** — certifications such as BREEAM In-Use and Fitwel strengthen management strategy at the asset level and support improvements in tenant engagement practices.

Engagement with borrowers (Real Estate Debt)

For debt investments, stewardship is integrated into the loan assessment and servicing processes, reflecting our objective to act as a lender of choice. Engagement with borrowers focuses on communicating expectations on energy performance, climate risk management and regulatory compliance; negotiating and enforcing sustainability-related covenants; and maintaining ongoing dialogue on transition risks and remediation actions where financially material.

Engagement initiatives with borrowers may include:

- Educating borrowers on reducing energy and water consumption and, where relevant, promoting sustainable design and construction methods
- Highlighting building-specific physical and climate transition risks identified through comprehensive due diligence — including fire safety, flooding, wildfire and building performance standards
- Encouraging the development of sustainability expertise on topics such as energy ratings, green building certifications, dedicated sustainability strategies and industry affiliations
- Determining, monitoring and enforcing sustainability covenants
- Engaging directly with borrowers on business plans, efficiency improvements and evolving sustainability trends and reporting standards

Engagement activities are overseen through established governance structures — including regional investment committees, sustainability councils and operational risk functions. Outcomes, identified risks and action plans are monitored through portfolio reviews and escalation processes, with issues addressed through governance forums or contractual remedies where necessary.

Engagement with investors

We actively seek and incorporate the views of our clients to ensure close alignment with their interests and expectations. Client engagement typically begins with a thorough due diligence process at both firm and fund level, through which we demonstrate our commitment to acting as a fiduciary, protecting client capital and integrating material sustainability factors. Due diligence continues post-investment through ongoing operational and investment reviews. As client focus on sustainability has grown, feedback has directly influenced our approach to transparency, benchmarks and sustainability targets — including commitments to net zero and reporting to GRESB and PRI.

We place a strong emphasis on transparency and regular communication, providing comprehensive reporting on governance, portfolio performance, sustainability and other relevant topics. Clients have access to a secure online investor portal. Our investor engagement programme includes:

- **Quarterly investor update calls** — interactive sessions providing updates on performance and transaction activity, addressed by the portfolio management team
- **Advisory council meetings** (typically annually) — composed of investors and their consultants, providing input on investment strategy, diversification, business plans and sustainability topics
- **Client-specific meetings** (annually or more frequently) — ranging from formal board presentations to less formal interactions on mandates, new offerings and themes of mutual importance
- **Client conferences** (annually) — global and regional events where clients meet portfolio managers, senior staff and industry experts
- **Client satisfaction surveys** (multi-annually) — conducted by an independent firm to obtain formal feedback on investment capabilities, service delivery and sustainability, with results used to set priorities and inform improvements

In addition, we provide regular reporting including quarterly fund reports, flash performance reports, financial statements, quarterly insights, biannual fund updates and annual publications such as our global outlook research report and sustainability report. Customised due diligence responses are provided on request. Reporting frameworks may vary by fund and client account.

Industry initiatives in real estate

Our real estate professionals engage with industry bodies to contribute to consultations, sector-specific metrics and the evolution of regulatory and reporting standards relevant to real assets. These include:

- Better Building Partnership (BBP): co-host of Investor Engagement Working Group
- European Association for Investors in Non-Listed Real Estate (INREV): Sustainability Committee
- Global Real Estate Sustainability Benchmark (GRESB): Lender Roundtable; Data Centre pilot
- Green Building Councils: Singapore, US, DGNB (Germany)
- Urban Land Institute: UK Sustainability Product Committee; Greenprint Centre for Building Performance
- U.S. EPA's ENERGY STAR® Portfolio Manager: Partner
- Leading Harvest: Leading Harvest Metrics Pilot
- Citrus Research and Field Trial (CRAFT) Foundation: Multi-year, large scale trial, to combat citrus greening

APPENDICES

PGIM'S SUSTAINABILITY & STEWARDSHIP POLICIES

- PGIM Sustainability & Stewardship Policy
- Culture & Inclusion Policy / Approach
- Modern Slavery Statements
  - Modern Slavery Act Statement (UK)
  - Canadian Modern Slavery Report
  - Jennison Modern Slavery Policy
- Japanese Stewardship Code Statements
  - Jennison
  - Public Credit
  - Real Estate

PFI SUSTAINABILITY REPORT AND ADDITIONAL DISCLOSURES

- PFI Sustainability Report
- 2025 Climate-related risks and opportunities Summary Report
- Business Integrity & Human Rights Policies
  - Employee Code of Conduct
  - Human Rights Statement
  - Anti-Human Trafficking/Anti-Slavery Policy
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IMPORTANT INFORMATION

Source(s) of data (unless otherwise noted): PGIM, as **of 31/12/2025**.

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