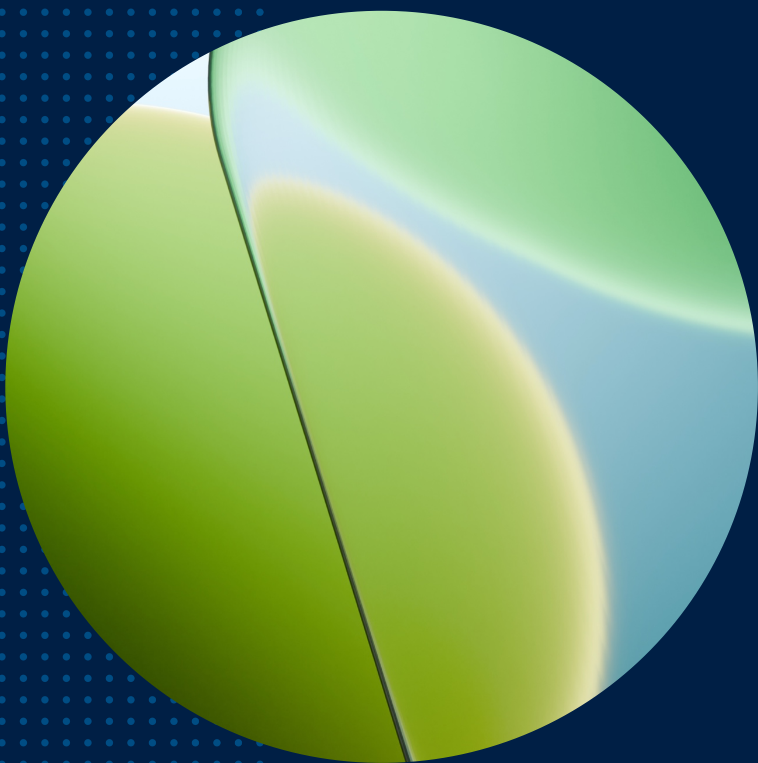
SUSTAINABILITY & STEWARDSHIP REPORT
YEAR ENDING 2025

ACTIVITIES AND OUTCOMES REPORT

Published July 2026



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ABOUT THIS REPORT

This Activities & Outcomes Report details the stewardship activities and the outcomes associated with those activities, we have undertaken across PGIM throughout 2025. It provides a range of illustrative examples to demonstrate how engagement, voting and other stewardship actions are implemented in practice across our investment groups, and how these contribute to investment decision-making and client outcomes.

Our Policy & Context Report describes our approach to sustainability and stewardship, and distinguishes between firm-level governance, policies and processes, and asset-class-specific implementation.

Together the Policy & Context and Activities & Outcomes Reports serve as PGIM's disclosures for applicable stewardship codes including the UK Stewardship Code 2026.

ABOUT PGIM

PGIM is the global asset management business of Prudential Financial, Inc. (PFI), headquartered in Newark, United States. We operate in 20 countries across 37 offices, with more than 1,500 investment professionals. We offer active management, custom research and client-focused solutions across public and private markets including fixed income, fundamental and quantitative equities, real estate and alternatives.

PGIM manages US$1.466 trillion in assets or £1.089 trillion (as of 31 December 2025), supported by a long-standing track record of disciplined risk management across market cycles.

Deep asset class expertise across private and public markets[1]

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

[1] AUM as disclosed in our PFI Annual Report 2025 (Form 10-K) see 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

Global Footprint

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

37 Offices

20 Countries & Jurisdictions

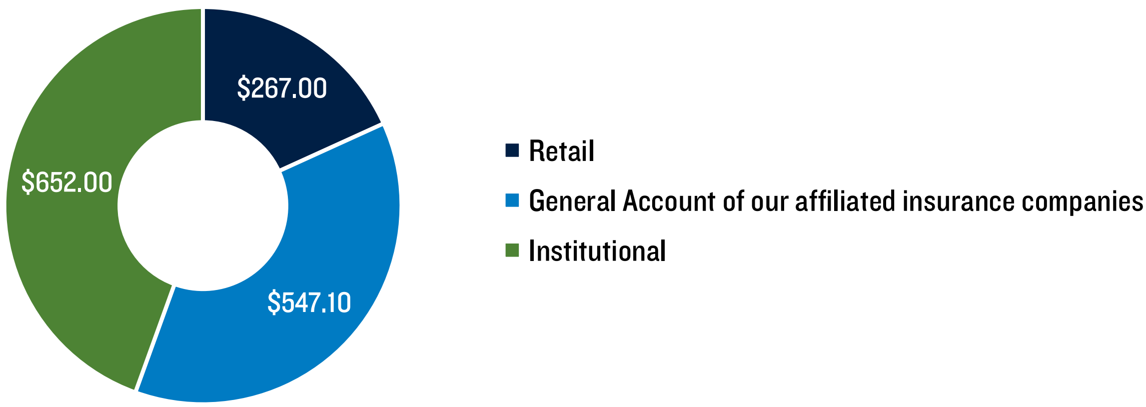
4 Continents

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

Diversified Client Mix

AUM by Client Type (USD Billions) [2]

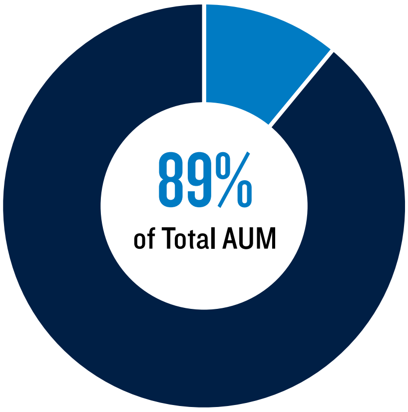


[2] PFI Annual Report 2025. Available at: https://www3.prudential.com/annualreport/report2026/annual/HTML1/prudentialar2025_0023.htm

Integrating Sustainability to Manage Risks and Opportunities

In 2025, financially material sustainability factors were integrated into the investment processes for 89% of PGIM's total AUM.[3]

AUM with integration of financially material sustainability factors as % of Total AUM



Sustainability Solutions for Clients

Approximately 36% of PGIM's total AUM is in portfolios with binding sustainability features, as specified in client agreements or fund documentation.[4]

PGIM's Sustainability Taxonomy

	Strategies with Sustainability Characteristics				
Sustainability factors integrated	Exclusions	Positive alignment	Thematic	Impact investing	Paris aligned
$1,299.3bn	$522bn	$38bn	$1.7bn	$1bn	$25bn

For the latest information on PGIM please see: https://www.pgim.com/gb/en/institutional/about/our-firm

[3] PGIM ESG AUM internal data as of Q4, 2025. AUM totals may not sum due to rounding and double counting. For the remaining 11%, the integration of sustainability factors either does not add meaningful benefit to investment decision-making or insufficient data makes integration unfeasible at this stage. 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.
[4] AUM ESG internal data as of Q4, 2025 (Rounded to nearest billion). AUM totals may not sum due to rounding and double counting. The categories listed are not mutually exclusive and AUM may therefore be included in more than one category.

HIGHLIGHTS OF THE YEAR

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In June 2025, PGIM unified its standalone investment businesses under a single PGIM brand to deliver a more seamless client experience, offer integrated solutions aligned with our clients' evolving needs and enhance consistency and transparency in how we support our clients' sustainability and stewardship-related objectives and requirements.

Throughout 2025, we progressed our sustainability priorities - launching new client-focused investment strategies, strengthening stewardship practices, enhancing data and reporting infrastructure, and deepening dialogue with clients, industry bodies and public policymakers.

CLIENT SOLUTIONS AND PRODUCT INNOVATION

Our fundamental equities group, Jennison, launched the Better Future UCITS strategy, broadening investor access and global distribution. We also introduced new private markets capabilities, including an impact-focused private equity secondary and co-investment SMA. In real estate, we launched a biodiversity-focused sidecar aligned with SFDR Article 8,[5] integrating nature-positive actions into the investment strategy. We also enhanced decision-useful analytics through expanded use of proprietary tools, such as our Temperature Alignment Tool and sustainability-labelled bond framework.

STEWARDSHIP, ENGAGEMENT AND VOTING

We enhanced stewardship tools and capabilities across investment groups, strengthening the link between research, engagement and outcomes. In public credit, our ESG thematic research programme helped deepen issuer dialogue. In fundamental equities, we mapped proprietary research insights to engagement activity, enabling more focused engagement over time. In real estate, our enhanced technology Sustainability as a Service (SaaS) platform, Deepki, enabling granular data-driven collection, monitoring and analysis of asset-level sustainability performance, is supporting more proactive and outcomes-oriented stewardship across real estate portfolios.

We also increased collaboration across investment groups. Our public credit and fundamental equities teams co-hosted the Access to Medicine Foundation's inaugural investor–issuer roundtable on measuring and reporting patient reach. We contributed to industry initiatives, including the Emerging Markets Investors Alliance, FAIRR, and the Methane Abatement Financing Taskforce.

In 2025, our stewardship activities centred on the following themes:

- **Climate risk** remained a stewardship priority across investment groups. We engaged on the credibility of emissions disclosure and transition planning and sought to share insights, promote best practices, and supporting improvements in disclosures and market standards. In real estate, we focused on asset-level energy efficiency, on-site renewables and resilience to physical and transition risks. In public credit, we combined issuer-specific climate risk engagement with thematic engagement on issues such as methane abatement. We also engaged with data providers and ratings agencies to improve the accuracy of climate-related data and supported the development of climate and transition data as a Research Funding Partner of TPI.
- We integrated **nature-related** considerations, including biodiversity, water stress and broader environmental impacts into stewardship, particularly in sectors with significant land-use, resource or ecosystem

[5] The Sustainable Finance Disclosure Regulation (SFDR) is a European Union regulation that requires financial market participants to disclose how they integrate sustainability risks and consider adverse sustainability impacts in their investment processes. Article 8 refers to financial products that promote environmental and/or social characteristics, provided the companies in which investments are made follow good governance practices.

dependencies. As part of our work with EMIA, we took a lead role engaging with a South American pulp and paper producer on biodiversity and land rights, both material themes for issuers in this sector.

- We enhanced our risk-based framework for assessing **human rights & modern slavery risks** across real estate funds. Coverage was extended to all UK and European vendor engagements, aligned with the UK Modern Slavery Act 2015 and the EU Taxonomy's Minimum Social Safeguards. This improved oversight of social risks across the real estate portfolio.
- **Governance** remained a core priority across investment groups. Engagement and proxy voting activities on governance topics included board accountability, risk management frameworks, executive remuneration, audit quality and transparency. In private credit, we secured board participation rights on corporate mezzanine investments, deepening governance oversight of portfolio companies. Across public equities, we exercised proxy voting on board accountability, executive remuneration, audit quality and disclosure, with positions informed by company-specific analysis rather than blanket policies. We also actively engaged on governance topics through participation in industry initiatives, including the International Corporate Governance Network (ICGN), Council of Institutional Investors (CII) and the UK Investment Association.
- We engaged regulators, policymakers and industry bodies to support effective **market standards and well-functioning financial markets**. This included direct participation in consultations and roundtables, as well as engagement through ICGN, CII, IIGCC, EFAMA and the UK Investment Association. We contributed to key initiatives, including the updated UK Stewardship Code and the reform of EU sustainable finance regulation.

ENHANCING RESEARCH, DATA AND REPORTING INFRASTRUCTURE

We enhanced sustainability data, analytics and reporting across investment groups to improve transparency and oversight.

In credit, we brought our public and private credit sustainable investment teams together and are working to harmonise sustainability assessments across credit investments. Private credit strengthened its sustainability infrastructure by integrating proprietary risk scoring and engagement tracking into centralised systems. In direct lending, we aligned sustainability due diligence templates with industry standards, supporting more consistent engagement with borrowers and sponsors.

In fundamental equities, we advanced sustainability monitoring through enhanced data dashboards and analytical platforms, strengthening oversight of sustainability risks, governance quality and controversies.

In quantitative equities, our research demonstrated how portfolio emissions reductions can be achieved within defined active-risk budgets, enabling us to offer clients a low-tracking-error climate transition approach.

In real estate, we activated the Deepki investment planning module to simulate and manage capex improvements at asset and portfolio level.

ENGAGING WITH REGULATORS, POLICY MAKERS AND INDUSTRY GROUPS

We engaged on public policy issues directly and through industry bodies and trade associations, including European Fund and Asset Management Association (EFAMA), the UK Investment Association and Investment Company Institute.

We continued participation in the Principles for Responsible Investment (PRI), the Council of Institutional Investors (CII), the International Corporate Governance Network (ICGN), the Institutional Investors Group on Climate Change (IIGCC), the IFRS Sustainability Alliance and SASB Standards and the Transition Pathway Initiative (TPI). We also expanded our involvement through new initiatives including the Access to Medicine Foundation, the Emerging Markets Investors Alliance, the FAIRR Initiative, the Partnership for Biodiversity Accounting Financials (PBAF) and the Methane Abatement Financing Taskforce.

CONTRIBUTING TO THOUGHT LEADERSHIP AND MARKET DIALOGUE

We published a broad range of sustainability and stewardship-related thought leadership across multiple formats, including reports, position papers, case studies, blogs and podcasts. Key publications included position papers on material sustainable finance policy developments, such as PCAF's proposed approach to carbon accounting for green bonds and thematic research on investment-relevant topics including data centres, antimicrobial resistance, defence, fast fashion and the Sustainable Development Goals, alongside perspectives and case studies tailored to specific asset classes and financial instruments. Our senior investment and sustainability professionals contributed to external speaking engagements at conferences, PGIM-hosted events, industry forums and panel discussions, addressing themes including active stewardship and engagement effectiveness, climate transition and decarbonisation in real assets, climate policy developments, and access to medicine.

IN-DEPTH CLIENT DIALOGUE

During 2025, we held client roundtables in the UK, Australia and Canada, on topics including biodiversity, human rights, defence, feasibility of 1.5C targets and global regulatory and policy trends in sustainability, providing clients with a forum for in-depth dialogue with peers and PGIM.

Examples included:

- Credible Climate Ambition and Portfolio Implications - examining whether 1.5°C remains a credible reference point for portfolio alignment and what alternative assumptions should inform investment decision-making. A clear point of consensus was the need for transparency about what investors can and cannot realistically influence, particularly on systems-level outcomes.
- Decarbonisation and Climate Resilience in Real Assets - led by our real estate investment group, focusing on asset-level strategies, capex programmes, data analytics and the integration of sustainability into valuation and long-term performance.

Collectively, these activities sought to enhance transparency and in-depth dialogue for clients, supporting constructive market dialogue and more effective stewardship across public and private asset classes.

SUSTAINABILITY INVESTMENT AND STEWARDSHIP – IMPLEMENTATION BY ASSET CLASS

03

Across PGIM's investment groups, sustainability and stewardship are embedded within an active, research-driven investment approach focused on long-term value creation.

Where sustainability factors are financially material, we integrate environmental, social and governance factors into our investment analysis and decision-making. This integration supports more-informed capital allocation, risk management and investment decisions, and is implemented in a manner that reflects the characteristics of each asset class and investment strategy.

Client choice is central to our approach. For clients focused solely on risk/return optimisation, sustainability considerations are incorporated only to the extent they are financially material. For clients with specific sustainability preferences, values or objectives, we offer differentiated capabilities, tools and investment solutions tailored to the relevant asset class. We do not apply a single sustainability approach across all strategies; rather, sustainability is applied within the investment process to support a range of client outcomes, including risk management, opportunity identification and, where applicable, real-world impact.

Active stewardship is an important component of our sustainability approach. Across asset classes and strategies, we use engagement, and where applicable, proxy voting to protect and enhance long-term investment value, support sound governance and risk management, and encourage improved disclosure and practices where relevant to financial outcomes or client objectives. Stewardship activities are led by investment teams and implemented in a manner consistent with the rights and responsibilities of each asset class, as well as our fiduciary and regulatory obligations.

CREDIT

PUBLIC CREDIT

Managing Investment Risks and Opportunities [6]

In public credit, we integrate financially material sustainability factors into the investment process through bottom-up analysis, informing credit selection and portfolio construction. We draw on internal analytical expertise and issuer disclosures, supplemented where appropriate by third-party data and engagement insights. Implementation varies by public credit sub-asset class and sector, reflecting differences in investment strategy and data availability. The following case studies demonstrate this approach in practice.

[6] See PGIM's POLICY & CONTEXT Report (PUBLIC CREDIT, MANAGING INVESTMENT RISKS AND OPPORTUNITIES) for more detail on the integration process for public credit strategies.

SOVEREIGN ISSUER – EMERGING MARKET COUNTRY

Background: ISIS terrorist attacks remain an ongoing issue for the country and for future investments despite hopes that foreign investors will re-start large liquified natural gas (LNG) projects. For many years, the government has relied on outsourced external military support to combat insurgents, which helped the security situation. This has now largely ended and it is unclear whether terrorist attacks will re-escalate and impact these projects and other investments. In addition to the terrorist threats, disputed elections in late 2024 led to months of protests, with hundreds killed and many arrested. Although the protests ended following an amnesty agreement, future risks remain.

Outcome: We previously held exposure to this sovereign but sold out entirely due to the financially material social and governance concerns alongside more traditional economic concerns around the government's ability and willingness to pay. Although on the surface bond spreads have been wide and there is potential for LNG projects to resume, we have not bought back any exposure.[7]

INVESTMENT GRADE CORPORATE – EUROPEAN ALUMINIUM PRODUCER

Background: Aluminium is a key material for the energy transition, with applications for electric vehicles, electricity grid networks, and solar panels. The issuer is a leading producer with a sizeable market share in primary aluminium and, unlike its peers, a vertically integrated operating model, meaning it is well positioned to benefit from potential increased demand. Aluminium production is highly energy-intensive, but the company benefits from captive renewable energy, and is able to produce aluminium at CO2 emissions levels that are significantly lower than the global average, which leads to reduced EU ETS[8] compliance costs for the company and reduces end products' Scope 3 emissions.

Outcome: We believe the issuer is well-positioned to benefit from increased aluminium demand driven by the energy transition. Although it does have to purchase EU Allowances to meet the EU ETS requirements, it is at a much-reduced scale than if it were producing aluminium with traditional energy sources, supporting its margin relative to peers. This was one of several factors that contributed to our view on the credit, which combined with the level at which it was priced, led us to participate in its Euro new issue bond.

HIGH YIELD - EUROPEAN PHARMACEUTICALS COMPANY

Background: The issuer is a pan-European generics business that holds leading positions in its core markets and challenger positions in larger Western European markets. It produces the majority of its products internally through low-cost manufacturing sites located both within and outside the EU, with the remaining products sourced from Contract Development and Manufacturing Organisations (CDMOs). It currently operates at 70% factory utilisation with plans to increase internal production to 85% by 2027.

Outcome: Aging population and regulatory pressure to control healthcare spending in Europe has helped support expectations that the broader European generics market is expected to grow 4-6% annually from 2023-2027, which this company will likely stand to benefit from, supporting our view to participate in the new issue.

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[7] Whilst we did not buy back exposure in 2025 this may not always be the case.

[8] The EU Emissions Trading System

HIGH YIELD – U.S. ENERGY COMPANY

Background: Recent proposals and stricter enforcement of environmental regulations in California have increased uncertainty around the long-term viability of fossil fuel operations in the state. Due to previous regulatory headwinds, the issuer has not received new drilling permits since the end of 2022. Recent legislation filed in the state assembly is working to provide a pathway to oil and gas permitting but the regulatory environment is subject to change. These changes could significantly impact the issuer's ability to comply and adapt, raising risks for investors focused on environmental responsibility.

Outcome: As a result, we concluded that the transaction did not align with our criteria and risk tolerance for energy sector investments in regions with aggressive climate policies. We decided to pass on the issuer's new bond deal in part due to ESG concerns related to the evolving regulatory landscape for oil and gas in California.

Sustainability Solutions for Clients [9]

Our Impact Ratings can be incorporated into portfolio construction for clients who choose to align their investments with environmental or social impacts. Impact Ratings assess the positive and negative effects issuers have on the environment and society regardless of whether those impacts are considered credit material. Impact Ratings range from 0 to 100, in increments of five, with 0 representing the lowest and 100 the highest Impact Rating. Five clearly defined impact categories help articulate our expectations for issuers. Issuers are assessed at least annually, and more frequently should events warrant a review.

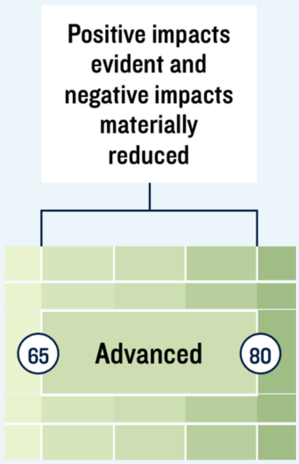
SOVEREIGN ISSUER – DEVELOPED MARKET COUNTRY

Background: Within the environmental pillar, the country scores highly on marine resources, moderately on pollution, biodiversity, and climate, and performs below average on water. On climate, it demonstrates strong domestic action through ambitious decarbonisation targets and solid governance frameworks. Furthermore, a significant share of unspent NextGenerationEU[10] funding has been earmarked for the green transition, suggesting substantial scope for progress in the coming years. However, the country's overall climate score is tempered by insufficient contributions to international climate finance.

Within the social pillar, the country scores highest on healthcare and personal safety, with education broadly in line with peers. While access to education is equitable and free, performance lags peers on educational attainment. Education outcomes are expected to improve over the next five years, supported by NextGenerationEU investments focused on skills development, teacher training, digitalisation, and strengthening research and innovation. Strong healthcare outcomes are underpinned by low obesity rates, and good access to health services, while the high personal safety score reflects low rates of intimate partner violence, crime, and transport-related injuries.

On governance, the country performs strongly across both freedom and rights and government effectiveness.

Outcome: The issuer has an "Advanced" Impact Rating, which passes eligibility thresholds for relevant sustainability-focused strategies.

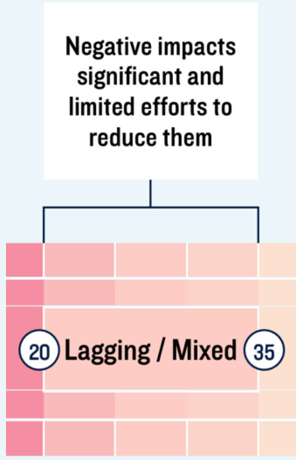


[9] See PGIM's POLICY & CONTEXT Report (PUBLIC CREDIT, SUSTAINABILITY SOLUTIONS FOR CLIENTS) for more detail on the sustainability solutions for clients in public credit strategies.
[10] NextGenerationEU is a European Commission economic recovery package to support the EU members states recover in the aftermath of the COVID-19 pandemic.

INVESTMENT GRADE CORPORATE - MULTINATIONAL MINING AND COMMODITIES

Background: Many of the metals, ores and commodities that the company produces and trades are fundamental inputs to essential products and services as well as enablers of the low carbon transition. However, the positive impacts of these products and services are offset by negative impacts stemming from the company's position as one of the world's largest thermal coal producers. From an operational perspective, although the company's decarbonisation targets are more ambitious than peers', it has failed to address other negative impacts including significant air and water pollution-related controversies across its operations and has faced charges of making corrupt payments to benefit its operations.

Outcome: The issuer has a "Lagging / Mixed" Impact Rating which made it ineligible for relevant sustainability-focused strategies.



Delivering on clients' sustainability objectives requires a clear differentiation of credible ESG-labelled issuance. Our sustainability-labelled bond framework allows us to assess green, social and sustainable (GSS) bonds on a case-by-case basis. We evaluate credibility across four lenses:

- Issuer — informed by our Impact Ratings (described above) and the issuer's transition progress.
- Use of proceeds — whether the financed projects are defensible and impactful for the label.
- Bond structure — whether key features are robust and aligned to the issuer's transition levers.
- Additionality — whether the financed activities represent meaningful new effort for the issuer.

In combination, these considerations can result in an uplift (or not) versus the issuer's baseline Impact Rating for relevant portfolios. The following labels are applied:

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

Assessing the quality and credibility of green bonds

Tier 3 Green Bond	The issuer, a large European energy infrastructure company, has a well-developed and credible transition strategy focused on enabling the decarbonisation of gas networks through renewable and low carbon gases, hydrogen, biomethane, and carbon capture and storage. Its green financing framework is comprehensive and clearly defines eligible project categories that are directly aligned with the company's long-term emissions reduction targets, including net zero across all scopes by 2050. The bond's eligible projects represent key levers in executing the issuer's transition plan, particularly through investments in new infrastructure that supports renewable gases and hydrogen. These activities go beyond business as usual and are largely new to the company's asset base, enhancing the bond's additionality. While the framework allows for both financing and refinancing, the issuer's significant forward-looking capital investment plan suggests that proceeds are likely to be predominantly allocated toward new capital expenditures. These are best-in-class attributes.
Tier 2 Green Bond	This North American real estate company has established science-based emissions reduction targets and a clear sustainability strategy centred on improving the environmental performance of its existing asset portfolio. Its green financing framework provides adequate transparency, with proceeds earmarked for green building certifications and energy efficiency upgrades across a defined set of properties. While the projects funded under the bond are credibly green and support the company's emissions reduction goals, they largely consist of upgrades and retrofits to existing assets rather than new developments. As such, the bond's additionality is more limited, reflecting a continuation of ongoing portfolio optimisation rather than a material shift in business strategy. For these reasons, we classified the bond as Tier 2 under our framework.
Tier 1 Green Bond	Although this large multinational environmental services company maintains a robust overall sustainability profile, the eligible use of proceeds is broad and largely aligned with the company's existing business activities. The framework permits the allocation of proceeds to acquisitions and refinancing, with limited clarity on the proportion of funding that will support new capital investment. Many of the eligible project categories reflect business-as-usual operations rather than initiatives that materially advance the company's transition strategy. As a result, while the bond meets minimum Green Bond criteria and does not raise structural concerns, its contribution to incremental environmental impact is limited and we therefore classified the bond as Tier 1 under our framework.

Our Temperature Alignment Tool uses a proprietary analytical framework to assess the ambition and credibility of public corporate credit issuers' alignment with global warming scenarios, complementing our climate risk and impact assessments.[11]

DELIVERING CLIENT-LED INVESTMENT AND SUSTAINABILITY OBJECTIVES

Background: A client with a long-term investment framework places sustainability on an equal footing with risk and return, reflecting their belief that sustainable investing can support resilient risk-adjusted returns and contribute to measurable real-world outcomes. The key challenge was to translate the client's high-level ambition into robust, credible and investable fixed income objectives, grounded in rigorous feasibility analysis.

We partnered closely with the client to use our Temperature Alignment Tool to assess the practical implications of setting specific emissions and alignment targets within a fixed income portfolio. The analysis focused on how sustainability objectives interact with portfolio construction constraints, including sector exposures, concentration, duration positioning and overall risk/return characteristics, so that targets could be designed with a clear understanding of implementation trade-offs.

Outcome: Our feasibility analysis provided clear, decision-useful insights:

- Ambitious targets were achievable but required explicit acknowledgement of portfolio construction and potential alpha trade-offs.
- Stronger alignment typically necessitated sector rotation, greater concentration in certain areas, and careful management of duration and risk exposures.

[11] For more information on the Temperature Alignment Tool, please see PGIM's POLICY & CONTEXT REPORT

- There was no automatic conflict between temperature alignment and broader sustainability aims when objectives were set thoughtfully and assessed holistically.
- A rigorous, evidence-based process helped distinguish aspirational goals from genuinely investable outcomes, strengthening credibility and client confidence.

Overall, the Temperature Alignment Tool enabled the client to set sustainability objectives that were both ambitious and implementable, without compromising investment discipline.

Active Stewardship [12]

In public credit, stewardship is primarily delivered through research-led issuer engagement. It is undertaken across corporate, sovereign, municipal and securitised sub-asset classes to support long term value creation and client outcomes. The following case studies demonstrate this approach in practice.

Research-driven engagement

INVESTMENT GRADE CORPORATE – GLOBAL PACKAGING COMPANY

Background: After the issuer acquired another packaging company, we engaged to better understand how this would impact its sustainability profile and whether it would need to materially revise its previous commitments, especially regarding its post-consumer recycled (PCR) content and emissions targets. We learned that both companies' sustainability objectives had been generally aligned, so the merger should not significantly alter the direction or ambition. According to the company, regulation was the driving factor for focusing on products' recyclability and inclusion of PCR and a positive opportunity for the company to support customers through lower fees by designing products with sustainability characteristics.

Outcome: The engagement reinforced our view that the company was highly committed to its role in the circular economy – not solely due to environmental reasons, but also because it sees a business case for it. It wants to be able to provide solutions for its customers who are struggling with various regulations. Having confirmed the company's continued progress despite the sizeable acquisition, and given its ambitious PCR content target, we upgraded its Impact Rating.

LEVERAGED ISSUER - NORTH AMERICAN ONSHORE DRILLING SERVICES COMPANY

Background: We engaged to question the company about its Scope 1 & 2 emissions reporting, as its 2024 figures were significantly lower than peers'. The company explained that when it first began reporting Scope 1 & 2 emissions in 2019, a third-party consultant advised excluding Scope 1 emissions from drilling activities, on the basis that the company drills on behalf of upstream E&P operators and that these emissions should therefore be classified as Scope 3, citing a specialised oilfield services emissions reporting guidance. However, we found this practice misaligned with the issuer's peers and with the GHG Protocol Corporate Accounting and Reporting Standard - the industry standard for defining operational control boundaries.

Outcome: We recommended that the issuer seek an external audit for its emissions data, which is currently not audited, and agreed that we would both speak to other market participants to understand how the company can best report Scope 1, 2, & 3 emissions going forward, as most peers do classify emissions from drilling activities as Scope 1. Reflecting this misalignment with general market practice, we revised the Impact Rating down.

[12] See PGIM's POLICY & CONTEXT Report (PUBLIC CREDIT, ACTIVE STEWARDSHIP) for more detail on our approach to active stewardship for public credit strategies.

Event-driven engagements

INVESTMENT GRADE CORPORATE - INTERNATIONAL MINING COMPANY

Background: After a mining incident in which seven employees died, we engaged the company on the incident's causes, the measures it is taking to prevent similar incidents from occurring, and any remediation it may be undertaking. We also sought to dig into wider risks associated with the company's operations in the region, as they have been linked to multiple shootings by military and security personnel.

Outcome: Company representatives provided useful insights into the causes of the incident and outlined remedial actions intended to improve the safety and resilience of operations, including enhanced cave management, drainage, and monitoring solutions. However, we were surprised by their characterisation of the company's safety systems as "highly effective" given the severity of the incident and loss of life, which raised questions around the sincerity of its commitment to health and safety. The engagement also provided important context on historical violent incidents involving security forces and separatist groups near the site, leading us to recalibrate our views on this issue. On balance, while the engagement improved our understanding of key risks, we maintained our Impact Rating at the lower end of mining peers, due to its health & safety track record.

Thematic research driven engagement

In public credit, our ESG thematic engagement programme focuses on financially material issues that affect issuer credit quality and long-term value, combining issuer-specific dialogue with sector- and theme-led engagement to inform investment decisions and drive measurable improvements in disclosure and practice.

ASSESSING A THEMATIC RESEARCH ENGAGEMENT APPROACH

Background: In 2025, we formalised nine thematic research priorities for our public credit strategies, focused on sustainability issues we consider material at sector or system level. Entering 2026, we refined the set to ensure continued relevance, adding *Climate Mitigation Using Insurance Modelling* and concluding *Green Leases*.

Our engagements are research-driven, focused on achievable practices and designed to be value-enhancing for issuers and investors. Themes progress through four stages: identifying priorities, researching best practices, sharing them with issuers yet to adopt them, and monitoring ongoing progress.

Theme-by-theme progress

- **Methane Abatement** *(Monitor)*: 2025 engagements found efficiency and emissions reduction remained priorities despite a more cautious environment. In 2026, we will lead EMIA's West Africa Methane Abatement working group, partnering with EDF and Africa Practice.
- **Sustainable Packaging** *(Monitor)*: Progress on recyclability, PCR content and low-carbon materials continued, alongside persistent material and infrastructure constraints. 2026 will focus on execution against commitments.
- **Climate Mitigation Using Insurance Modelling** *(Research – new)*: In 2026, we will identify best practices for systematic policyholder engagement on climate resilience, including education and incentive frameworks.
- **EM Sovereign Transition Strategy** *(see case study) (Monitor)*: We engaged four EM sovereigns in 2025, prioritising Ministries of Energy and national utilities. In 2026, we will reinforce credible transition pathways balancing decarbonisation with energy security, affordability and social impact.
- **Pollution – Fine Particulate Matter** *(Share best practice)*: 2025 research focused on tyres. In 2026, we will engage non-leading issuers on best practices and continue dialogue with leaders to assess pathways to strong performance.

- **Access to Medicine** *(see case study)*: With AMF, we convened a Chatham House roundtable on patient reach reporting. In 2026, we will articulate the investment case for access leadership and explore how to close the valuation gap.
- **Labour Conditions** *(Share best practice)*: 2025 engagements across autos, mining, aerospace and forestry deepened our understanding of labour risk. 2026 will focus on accountability, lessons from controversies and community engagement in emerging markets.
- **Cybersecurity** *(Monitor)*: We engaged sensitive-data and high-disruption sectors, joined a DSIT/NCSC roundtable and shared our base/better/best practice framework. 2026 will deepen research on AI as both defensive tool and emerging risk.
- **Green Leases** *(Concluded)*: With efficiency increasingly embedded in broader strategies, the incremental value of standalone thematic engagement has diminished. Coverage continues through standard issuer analysis.

Outcome: Building on our 2025 learnings, we expect our approach on many themes to shift from establishing best practices towards assessing implementation, delivery against commitments, and improved transparency where needed. At the same time, we recognise that priorities are at varying stages of maturity and will continue to research and share best practices in less mature areas (e.g. labour standards, particulate matter). We will also aim to place greater emphasis on scaling impact through collaborative initiatives where appropriate (e.g. EMIA-led sovereign methane abatement), deepening dialogue with key decision-makers, particularly in complex systems such as sovereign transitions, and reinforcing progress in areas where commercial incentives remain aligned (e.g. efficiency, product innovation, resilience).

Our thematic sustainability research programme provides a structured, repeatable approach to stewardship, setting clear priorities, targeting material themes, collaborating to amplify influence, and applying a phased approach to drive progress over time. Periodic stock-takes ensure ongoing relevance, as reflected in this year's refinements to the priority set.

ESG THEMATIC RESEARCH THEME: EM SOVEREIGN STRATEGY - EMERGING MARKET SOVEREIGN ISSUER

Background: We engaged with the Ministry of Energy and the Ministry of Construction and Transport to discuss key aspects of the country's energy transition focusing on the transport and energy sectors, its two largest GHG emissions sources. We sought clarity on policy priorities, funding mechanisms, and planned investments related to rail electrification, EV infrastructure, renewable energy deployment, and grid capacity. We discussed rail modernisation, fleet electrification and passenger incentives alongside challenges around low-traffic lines, as well as EV uptake, funding for vehicles and charging infrastructure, and barriers to adoption, particularly in rural areas. On energy, the Ministry highlighted progress on renewables, grid optimisation, storage-linked PV access, and geothermal development.

Outcomes: We were encouraged to see that the country is placing strong emphasis on transport and renewable energy in its policy and investment agenda. Given that country's railway network is widely regarded as outdated and unreliable, targeted investments in rail infrastructure are likely to improve passenger uptake and contribute to decarbonisation efforts. Similarly, the expansion of EV charging infrastructure and the government's attention to the key enablers of EV adoption such as affordability and ease of access are promising signs of a strategic approach. Our current Impact Rating reflects the country's progress on the energy transition, but there is potential for an upgrade as further advancements are made.

ESG THEMATIC RESEARCH THEME: POLLUTION - FINE PARTICULATE MATTER - MULTINATIONAL TYRE MANUFACTURER

Background: Multiple studies have shown that this issuer's tyres are empirically far ahead of peers in tests of tyre emissions and they have remained so year after year, even as the industry as a whole has progressed. The company is widely considered a leader on tyre and road wear particles and tyre toxicity, so we engaged to better understand how this was achieved and identify potential best practices to engage on with its industry peers.

Outcomes: The two keys to the issuer's success appear to be its focus on R&D and its vertical integration. Innovative materials are an important part of its strategy, and the industry trend away from integration may save costs but makes it more difficult to experiment with new substances and bring successful ones to market. We asked whether the issuer would consider licensing its technologies and/or capacity to others, but it told us it would not as for now it views them as a unique competitive advantage, with all its tyre models meeting the Euro 7 standard and its tyres' longevity being a key marketing focus.

This engagement reinforced the competitive advantage of strong research efforts and vertical integration, especially as regulations around tyre emissions develop. The fact that the issuer is already far head of peers in most tests but is still continuing to improve and find ways to reduce toxicity are further benchmarks we can use in our engagements with industry peers.

Exercising rights and responsibilities

SECURITISED CREDIT – U.S. CLO

Background: Our public credit team had negotiated sustainability-related language within this CLO's deal documentation to prohibit issuers linked to the production of weapons but subsequently discovered that it was invested in a company specialising in aerospace and defence. We engaged to highlight this discrepancy to the collateral manager.

Outcome: The collateral manager agreed that the company violated the CLO's ESG/Sustainability criteria, recognising that they had made a trade error and removing the position from the specified CLO. Although it was disappointing that this trade error had occurred, we were pleased with the steps the collateral manager took to correct it. As a result of this engagement, we assigned a 5-point uplift to the Impact Rating for this collateral manager's CLOs.

Engaging in industry forums

EMERGING MARKETS INVESTOR ALLIANCE (EMIA)

Within the Emerging Markets Investors Alliance (EMIA), we are active participants in multiple work streams where we help to shape and prepare engagement strategies for select asset classes. In 2025 we were the lead investor in two of these work streams, which involves identifying engagement targets, planning the engagement approach and coordinating with other members, as well as helping to document engagement results. Work with EMIA is very hands on, as each engagement is heavily tailored to the entity being engaged.

EMERGING MARKETS CORPORATE – SOUTH AMERICAN PULP AND PAPER PRODUCER

Background: As part of our work with EMIA, the Emerging Markets Investor Alliance, we acted as the lead investor to engage this issuer on its approach to biodiversity, land rights, and employee remuneration - key themes for issuers in this sector.

Outcome: We learned that the issuer is expanding its ecological corridor project, with the target of more than doubling its current size by 2030, and that biodiversity and ecological corridor targets are tied to executive compensation. It employs multiple technologies to monitor biodiversity but acknowledges the challenges in quantifying biodiversity outcomes. The issuer clarified that it does not operate a formal Free, Prior and Informed Consent (FPIC) framework, but it undertakes a robust due diligence process before entering new areas, currently has no disputes or overlaps with indigenous lands, and has a dedicated team that engages with over 200 communities, including nearly 40 indigenous communities. With regard to wages, we learned that all employees are paid above-market wages and that suppliers are subject to due diligence processes. The issuer is also conducting a detailed study on living wage levels. We hope that the study will be followed by implementation across its operations. Should the issuer demonstrate meaningful progress in these areas, we may consider an upgrade to its Impact Rating.

Engaging with service providers

ADDRESSING CARBON EMISSIONS DATA INACCURACIES FROM A DATA VENDOR

Background: In late 2025, our public credit team engaged with a third-party ESG data vendor that produces data sets showing companies' emissions reduction targets as well as forward looking emissions reduction projections based on them.

We had seen some companies quietly drop or change their emissions reduction targets but discovered that the vendor's data sets did not always reflect these changes and were still showing some companies' targets even after they had been dropped. As this data fed into the vendor's forward looking emissions reduction projections, it meant that some companies had better projections than were now warranted.

Outcome: We flagged several cases to the vendor and are looking at solutions to address instances where companies' targets seem to have lapsed or changed.

QUERYING SPECIFIC DATA POINTS WITH A DATA VENDOR

Background: We engaged with a third-party provider of GHG emissions data due to a sudden, significant increase in an issuer's Scope 1 & 2 emissions intensity. This increase appeared to be due a change in the way the vendor calculated the issuer's emissions intensity, which we believed introduced an error into the calculation. The absolute emissions in the calculation were now being set equal to the total for the entire parent company whilst the sales were set to the specific subsidiary.

Outcome: We raised this concern to the vendor, who confirmed that an attribution error in the collection of the Scope 1 & 2 emissions had led to a significant overstatement of the issuer's emissions data, and subsequently corrected the datapoint. Rather than focus just on resolving the immediate issue, though, we followed up with a call to discuss the vendor's overall Quality Assurance process, providing specific recommendations for how they could improve the process.

Engagement summary statistics

Total ESG Engagements	152
Total Issuers Engaged	142

ESG Engagements by Region	Total
Developed Markets Asia	10
Developed Markets Europe	57
Developed Markets North America	56
Developed Markets Oceania	3
Developed Markets - Other	5
Emerging Markets	21

ESG Engagements by Category	Total	
Environmental	46	30%
Environmental and Governance	4	3%
Environmental, Governance, Social	33	22%
Environmental and Social	17	11%
Governance	22	14%
Governance and Social	8	5%
Social	22	14%
Total	152	

Top 10 engaged-on topics:

Rank	Topic Name	Count
1	GHG emissions & climate change	71
2	ESG strategy	44
3	Energy use & efficiency	43
4	Business conduct & culture	30
5	Disclosure & reporting	30
6	Social inclusion & access	30
7	Risk management	22
8	Data privacy & security	21
9	Green & SL bonds	21
10	Supply chain management	20

PRIVATE CREDIT

Managing Investment Risks and Opportunities [13]

In private credit, we integrate financially material sustainability factors into the investment process, drawing on proprietary sustainability risk analysis and a relationship-based, long-term investment approach. The following case studies demonstrate this approach in practice.

PRIVATE PLACEMENT - DAIRY PRODUCTS SECTOR

Background: The company manufactures dairy products for various end markets including grocery stores, drug stores and other mass retail channels. As part of due diligence, the investment team analysed both industry-wide food safety risks and the company's specific food safety practices and track record.

Industry risk assessment included:

- Common food-borne pathogens in the dairy industry include listeria, salmonella, and E. coli. These pathogens can be introduced at different points of the supply chain including milking, processing and packaging. Since the adoption of pasteurisation, nearly all dairy food-borne illnesses are introduced in the handling (processing, production, packaging) phase.
- Analysis of recent examples of industry recalls and impacts show the market response can vary across recalls, however the extent of financial damage typically depends on the media coverage, severity of the incident, and the company's proactiveness and effectiveness in containment and response.
- The team also assessed the risk profile of the company's key products, including those classified as "High Risk Foods" as designated by the Food and Drug Administration (FDA). These have a high potential for causing foodborne illnesses due to factors such as historical outbreaks, susceptibility to contamination, and ability to support pathogen growth.

Company risk assessment:

- The company's measures to reduce risk of contamination include target factory utilisation rates that support high sanitation standards; "closed-system production" processes that minimise exposure to air and human contact; regular audits by the FDA and Safe Quality Food (SQF) Institute to assess the sanitary conditions of facilities; and extensive and proprietary testing and qualification of product batches before roll outs. The company maintains a containment strategy and disaster response framework, performing mock recalls and crisis training to simulate a food safety event. It works with a communications consulting firm to plan and manage responses to potential food safety incidents.

Outcome: While food safety risk is relevant for the dairy sector, the investment team assessed the company as maintaining sufficient quality control and containment procedures. As such, the investment team assigned a Moderate Risk rating to Product Safety as per our proprietary sustainability risk assessment framework.[14] The management of food safety risk will continue to be monitored annually as part of our ongoing portfolio assessments.

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[13] See PGIM's POLICY & CONTEXT Report (PRIVATE CREDIT, MANAGING INVESTMENT RISKS AND OPPORTUNITIES) for more detail on the integration process for private credit strategies.

[14] The Sustainability Risk Rating framework is summarised in PGIM's Policy & Context Report. Please note the "Product Safety" risk factor was re-named 'Product Safety & Quality' factor " in 2026.

PRIVATE PLACEMENT - BUILDING MATERIALS SECTOR

Background: The company is an aggregates business, supplying a wide range of crushed stone, sand, and gravel products to contractors, asphalt and concrete producers, homebuilders, and homeowners. Companies in the materials and aggregates industry that develop and operate in quarries are exposed to various environmental considerations. Quarry site exploration and approval processes, including regulations around habitat and ecological review requirements, are important regulatory considerations. Because quarries have finite lives, the sustainable life of the quarry site – including zoning regulations required to expand or develop new quarry operations – must also be considered. Once the quarry is in operation, the company must manage waste responsibly. Any failure to properly dispose of waste and water discharge could lead to fines, litigation, and reputational damage. Another relevant operational risk for the company is workplace safety, as employees in the materials and aggregates industry are exposed to safety risks through the handling of hazardous materials and dangers related to mining tasks.

Outcome: The company has a strong track record with no significant environmental incidents in the past. With respect to sustainability risks around quarry life and development, the average lives of the company's quarries far outlive the duration of our holdings. Due to the inherent nature of the business, workplace safety risk is not fully avoidable, however, the company is committed to the safety of its workers and has not recorded significant incidents in the past. As such, our investment team assigned a Moderate Risk rating to Habitat, Sustainability and Workplace Safety, as per our proprietary sustainability risk assessment framework.[15] The company's sustainability risks will be re-assessed as part of regular portfolio monitoring.

PRIVATE PLACEMENT – UK EDUCATION SECTOR

Background: One of the key sustainability risk factors we assess for investments in UK higher education is Stakeholder Engagement.[16] In the UK, the Office for Students (OfS) is the independent regulator for higher education. The OfS is an important stakeholder to consider across our investments in UK universities as it has oversight over a wide range of topics relevant to how colleges and universities operate, such as university quality and standards, teaching quality, equality of opportunity, student protection and choice, freedom of speech, and financial sustainability, which includes minimum liquidity requirements.

In terms of quality and standards, the OfS's Teaching Excellence Framework (TEF) assesses and rates colleges and universities for excellence above a set of minimum requirements. The TEF focuses on two key topics: student experience and student outcomes. There are three TEF rating categories that signify degrees of excellence above the minimum requirements: "Gold" (outstanding), "Silver" (very high quality) and "Bronze" (typically high quality, and some very high-quality features). If compliance with minimum required standards of excellence cannot be evidenced, a university or college will receive a "Requires Improvement" TEF designation.[17]

Outcome: For UK universities in our portfolio, investment teams assess the materiality of Stakeholder Engagement risk to the issuer, explicitly noting institution-specific alignment to OfS regulations and frameworks, plus any material engagements with the OfS, if applicable. UK universities and colleges are subject to the OfS's policies and, therefore, are exposed to adverse impacts of policy changes on funding and university operations. Further, any potential breaches of OfS regulations and related litigation can pose costly financial and reputational risks. TEF rating designations are also important in our stakeholder engagement analysis. TEF ratings inform other higher education rating schemes, such as the National Student Survey (NSS). While the NSS is conducted as a point in time reference, a university's TEF rating can significantly influence its NSS rating. In turn, these ratings can materially affect student interest - a major underlying driver of revenue and therefore credit strength for these institutions.

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15 The Habitat risk factor was renamed "Biodiversity & environmental Regulation" and Sustainability risk factor was re-named "Natural Resource Availability" in 2026.
16 The "Stakeholder Engagement" risk factor was renamed "Stakeholder Relations" in 2026.
17 https://www.officeforstudents.org.uk/for-providers/quality-and-standards/about-the-tef

Sustainability Solutions for Clients [18]

SUSTAINABILITY LINKED LOAN – HOUSEHOLD PRODUCTS SECTOR

Background: A household products company approached us with proposed sustainability-linked loan terms supported by sustainability key performance indicators (KPIs) covering topics it identified as material to the household products sector: operational carbon emissions, product carbon footprint, and packaging lifecycle management. We worked with the borrower to review the materiality, definition, and methodology of each KPI proposed, alongside the levers it expected to use to achieve the associated sustainability performance targets (SPTs).

Outcome: We negotiated final loan terms with clear KPI measurement methodologies and SPTs, each anchored to a referenced baseline and target timeline (including interim targets). Under the terms, the borrower reports on KPIs annually and engages an external reviewer to verify them, and we link KPI achievement directly to a coupon-margin adjustment grid that specifies the margin step based on the number of KPIs achieved.

Active Stewardship [19]

In private credit, we deliver stewardship through borrower engagement and sponsor dialogue, supported by contractual terms and ongoing monitoring. The following case studies demonstrate this approach in practice.

PRIVATE PLACEMENT – NATURAL GAS DISTRIBUTION

Background: The company operates a gas utility system and owns local gas distribution companies serving primarily rural areas, making the asset critical to residential customers reliant on natural gas for home heating. However, its pipeline network contains large sections of aging infrastructure, including bare or unprotected steel that is more prone to corrosion - and therefore leaks - than modern pipelines. This has contributed to annual gas loss rates above national standards, and a rise in safety incidents.

We identified the risks associated with the aging pipeline infrastructure as a key credit concern, given the potential for material adverse risk events that could exceed insurance coverage and disrupt operations. We also weighed the economic strength of the service area. Given the rural customer base, pacing the infrastructure-replacement programme to protect customer affordability was critical to the credit.

Outcome: Our investment team engaged with the company's management to gain deeper insights into safety incidents related to the aging pipeline network. We scrutinised the causes and liability of incidents, future incident prevention actions, and the level of investment toward pipeline infrastructure compared to prior practices. Due to the materiality of the issues, we also engaged directly with the sponsor, which is atypical for a standard natural gas utility investment. However, we felt a direct discussion was important to confirm the sponsor's commitment to support the asset renewal. The insights we gained on pipeline integrity management and the pipeline replacement programmes, combined with the essential nature of the asset and the sponsor's affirmation of continued investment support, were key inputs into our investment decision.

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[18] See PGIM's POLICY & CONTEXT Report (PRIVATE CREDIT, SUSTAINABILITY SOLUTIONS FOR CLIENTS) for more detail on the sustainability solutions for clients in private credit strategies.
[19] See PGIM's POLICY & CONTEXT Report (PRIVATE CREDIT, ACTIVE STEWARDSHIP) for more detail on our approach to active stewardship for private credit strategies.

DIRECT LENDING - TECHNOLOGY

Background: The company is an electronic invoicing and tax compliance software business. The processing and handling of confidential customer data, and the data security management to safeguard this data, are essential to its business. Any potential data security breach or privacy incident could result in significant reputational and financial consequences for the business, potentially incurring fines or affecting customer retention and new customer business.

The company maintains robust data security measures, including frequent penetration testing, recognised certifications (ISO 27001, Microsoft Cloud Solution Provider, and Microsoft Gold Cloud Platform), regular Microsoft audits, and geographically dispersed data backups. It hosts stored data and internally developed applications across global locations, including Microsoft Azure in the U.S. and local data centres in each operating country, providing redundancy and continuity in the event of a system failure. Microsoft Gold Cloud certification enables the company to leverage Microsoft security standards, subject to ongoing compliance and random annual testing. The company also holds local data protection certifications recognising strong information security practices. Throughout the investment period, we have repeatedly engaged a private equity technology due diligence advisor to validate the security protocols of acquired companies at each acquisition.

Following the disclosure of a cyber incident in 2023 in which customer data was compromised, we engaged directly with the company's management and the sponsor. The company promptly provided information about the scope of the breach, how they controlled the issue and reported there were no material financial consequences associated with the incident. Since the incident, we have engaged regularly with the company, maintaining ongoing dialogue with management regarding cybersecurity and related developments throughout 2024 and 2025. In addition, the investment team conducted a proactive sustainability due diligence review in late 2025, which included cybersecurity topics.

Outcome: Given the nature of the business, we continue to treat data security risk as a key investment risk consideration. Under our proprietary sustainability risk rating framework, our investment team assigned Data Security as a High Risk Rating for this issuer, and will prioritise it for further engagement.

CORPORATE MEZZANINE – BOARD PARTICIPATION RIGHTS

Background: Our private credit corporate mezzanine strategy invests junior capital in middle market companies, including subordinated debt, preferred equity, and/or equity co-investments. During the investment process, a key governance term we seek to obtain is board participation rights. Compared to senior lending, junior debt and equity investments typically lack the security interests or lien priorities that senior debt lenders might benefit from. A board position therefore provides us with access to enhanced information, alongside influence and voting rights.

Outcome: Participation rights typically include at least one board seat, usually held by a member of our Mezzanine Investment Committee. We will often also seek an observer seat typically held by the investment team leader. The number of seats and seat roles (e.g. voting member versus observer) depend on the nature of investment, including whether the investment is sponsored by an equity partner, the financial structure of the transaction, our equity position, and the scale of our capital commitment. Given our experience, large active mezzanine portfolio and deep connections with other companies, suppliers, and contractors that can be a potential source of connection and growth, investees are typically open to our participation rights requests.

As our private credit team can invest in both senior and subordinated debt in the same company, we maintain extensive policies and approval processes to manage any conflicts of interest that may arise. Our Mezzanine Investment Committee and Senior Investment Committee operate separately, and for any investment opportunity that involves both senior and junior capital, each respective Committee must solely approve their portion of the investment (including economics, fund participation, etc.) without involvement from the other Investment Committee.

Obtaining participation rights in our junior capital investments has led to deeper relationships with management teams, other board members, and equity sponsors, where applicable. In turn, we have access to deeper insights into the investments which we hold. Within the board setting, we believe participation rights help us to successfully implement our relationship focused investment strategy, and we will continue to seek board participation rights on future corporate mezzanine investments.

PRIVATE MARKETS SECONDARIES (MCP)[20]

PRIVATE MARKETS SECONDARIES – ENGAGING WITH GPs

Background: Our secondaries investment group, MCP, engages annually with General Partners (GPs) across its portfolio through an annual GP Sustainability Survey. The survey is based on ILPA's ESG GP framework, which focuses on the sustainability frameworks, processes, resources, and outcomes of GPs. In addition, we included a set of fresh "Top of Mind" sustainability questions designed to help distill signal from noise against a backdrop of increasingly polarised public debate on sustainability.

The survey asks how sustainability considerations are integrated into GP policies, governance, investment processes, reporting, and emerging risk management. By benchmarking GP practices year-on-year, we identify areas of progress and gaps, enabling targeted engagement with managers on areas for improvement and supporting the protection and enhancement of long-term value for clients and beneficiaries.

The 2025 assessment engaged GPs across multiple dimensions of sustainability maturity, including adoption of recognised sustainability standards, contractual sustainability commitments, governance structures, investment process integration, Limited Partner (LPs) communications, Culture and Inclusion metrics and emerging "Top of Mind" topics. The results were compared against 2023 and 2024 data to identify high-level trends, while noting that sample effects may be a significant factor affecting the data gathered.

Outcome: GPs' commitment to recognised sustainability standards, such as PRI, iCI and SASB has accelerated and ESG considerations are increasingly embedded in fund documentation, although the depth and auditability of contractual commitments are still uneven. ESG due diligence has shifted and is now investment team-led and more consistently part of core decision-making. ESG communication to LPs is becoming more structured and aligned with frameworks such as CSRD, though comparability is still developing. The 2025 results demonstrate increased maturity in how GP's approach sustainability, driven in part by ongoing LP engagement. The shift toward investment team-led due diligence, contractual embedding of ESG commitments, and improved reporting are tangible outcomes of the sustained dialogue between LPs and their GP partners. The results from our survey are shared directly with GPs to support continuous improvement and set clear expectations in areas where their practices lag peers.

[20] See PGIM's POLICY & CONTEXT Report (PRIVATE MARKET SECONDARIES (MCP)) for more detail on our sustainability and stewardship approach in private secondaries.

PUBLIC EQUITIES

FUNDAMENTAL EQUITIES (JENNISON)

Managing Investment Risks and Opportunities

In fundamental equities, we integrate financially material sustainability considerations into bottom-up company research. Using a proprietary framework alongside industry standards (e.g. SASB), we identify risks and opportunities most relevant to company fundamentals.[21] The following case studies demonstrate this approach in practice.

AVIATION SERVICES - US

Background: The company is a US-based provider of aviation distribution and repair services for the commercial, business and general aviation (B&GA) aftermarkets. While conducting our initial sustainability research, we identified gaps in disclosure across key sustainability exposures that we interpreted as limiting transparency for investors, focused on product design and lifecycle management, product quality and safety, and corporate governance practices.

Our analysis did not identify significant red flags in the company's practices, but weaknesses in sustainability disclosure prompted us to request a discussion with management. We engaged to understand how the company managed material sustainability exposures, convey why transparency was important from an investor perspective, particularly for long-term value creation, and press for improved disclosure on environmental KPIs and targets, product quality and safety management, and governance practices, including executive compensation.

Outcome: Our research in combination with engagement delivered the following:

- Environmental KPIs and targets: the company's forthcoming 2025 ESG report (unpublished at the time of engagement) is expected to include improved disclosure, particularly on environmental KPIs and targets. Following a period of transformation, management appeared to be focused on this area and confirmed that discussions were actively taking place.
- Product quality and safety: we confirmed that appropriate protocols were in place. The issue was primarily one of transparency, which is common among smaller companies relative to large-capitalisation firms. The company found it helpful to hear our questions and research approach, particularly on product quality, and committed to incorporating our feedback into future reporting.
- Governance: the company's next proxy report should disclose details on bonus targets, and management had discussed the issue with its top 15 shareholders.

Rating impact: with improved visibility into the company's social and governance practices, we upgraded our internal sustainability assessment, reflecting more positive trend assessments for the Social and Governance pillars. We viewed this engagement as successful, having enhanced our understanding of how the company manages material risks and contributing to more robust, transparent disclosures for investors in future reporting.

[21] See PGIM's POLICY & CONTEXT Report (FUNDAMENTAL EQUITIES (JENNISON), MANAGING INVESTMENT RISKS AND OPPORTUNITIES) for more detail on the integration process for fundamental equity strategies.

Sustainability Solutions for Clients [22]

THEMATIC GLOBAL EQUITY - TARGETING RELIABLE, AFFORDABLE AND CLEANER POWER SOLUTIONS

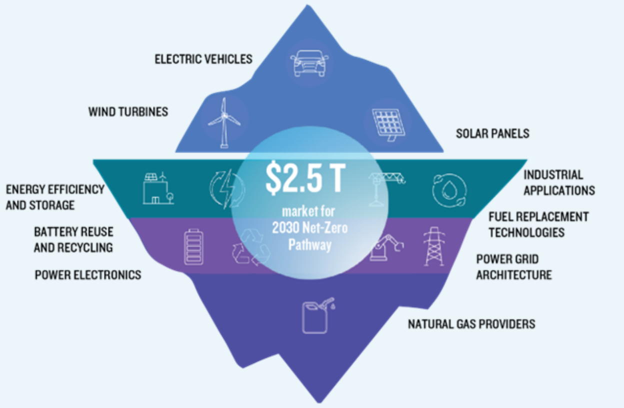
We manage a thematic global equities Power Solutions strategy, which seeks to address the three-fold energy challenge: meeting rising global energy demand with solutions that are reliable, affordable, and cleaner. The strategy focuses on secular growth opportunities across electrification, energy efficiency and lower-carbon energy sources, investing in innovators enabling the shift to a more resilient, lower-emissions energy system. The strategy follows an unconstrained, alpha-driven approach, investing across the full energy value chain, market capitalisations, geographies, and sectors to identify companies positioned to create long-term value.

Electrification: Companies enabling the transition from fossil fuels to electricity across transport, buildings, and industrial systems.

Energy Efficiency: Businesses improving output per unit of energy input through advanced processes, equipment, materials, and technologies.

Lower-Carbon Energy: Companies generating and supplying cleaner energy solutions to support structural demand growth.

The carbon market is much larger than many may believe



Jennison's Power Solutions strategy's approach of incorporating scope 4 (emissions avoided) helps investors understand how a company's activities are helping to avoid tens of millions of tons of customer carbon emissions annually. The more it grows, the bigger its contribution to decarbonization.

THEMATIC GLOBAL EQUITY – DELIVERING ATTRACTIVE RETURNS WHILE CONTRIBUTING TO A MORE SUSTAINABLE AND INCLUSIVE ECONOMY

Our Better Future strategy is designed to achieve two objectives in tandem: competitive long-term investment returns and measurable progress toward a more sustainable and inclusive economy. The strategy invests only where both aims can be credibly met, seeking to align financial performance with positive real-world outcomes. It focuses on innovative growth companies addressing pressing global challenges, aligned with selected UN Sustainable Development Goals (SDGs), with key focus areas including:

- **Good Health & Well-Being** - Companies advancing medicines, medical technologies, and healthcare solutions that improve clinical outcomes and enhance both quality and longevity of life.
- **Inclusive Growth** - Businesses driving broader access to opportunity through innovation, including technologies that increase productivity, connectivity, and financial inclusion, as well as companies investing in workforce education, skills development, and community advancement.
- **Environmental Sustainability** - Companies enabling the energy transition through innovation in energy production, efficiency, and consumption, and those reimagining how goods are produced and used to promote more sustainable consumption patterns.

Through rigorous fundamental research, the aim is to build a highly selective portfolio of innovative, disruptive companies driving structural industry shifts and positioned to create durable long-term value.

[22] See PGIM's POLICY & CONTEXT Report (FUNDAMENTAL EQUITIES (JENNISON), SUSTAINABILITY SOLUTIONS FOR CLIENTS) for more detail on the sustainability solutions for clients in fundamental equity strategies.

Active Stewardship [23]

In fundamental equities, we integrate stewardship into bottom-up research, through materiality-led engagement and proxy voting. Investment teams undertake engagements, supported by sustainability and proxy voting specialists, to test investment theses, improve disclosure and inform voting. We monitor company progress and escalate where needed through continued engagement, voting action and, where appropriate, adjustments to exposure. The following case studies demonstrate this approach in practice.

Company engagement

MARINE CONSTRUCTION PROVIDER – U.S.

HEALTH & SAFETY AND FLEET ENVIRONMENTAL DISCLOSURES

Background: The company is a US-based marine construction and dredging services provider. Our proprietary sustainability research and materiality framework identified two priority issues: the need for greater transparency on health & safety management practices and product design & lifecycle management, including improvement of the environmental profile of the company's fleet. We engaged to gain deeper insights and share best practices, and to encourage improved quality, breadth and depth of disclosures.

The engagement was led by our investment and sustainability teams. Company participants included VP of Health, Safety & Environment; CFO; VP of Investor Relations and Finance; SVP, Project Services & Fleet Engineering; CLO & CCO.

Outcome: The company provided helpful information about its H&S practices, addressing gaps in current disclosures. We were encouraged to hear that the company was becoming TCFD-aligned and that injury rates and spill rates would be included in the upcoming reporting. We also obtained fleet-level data on environmental enhancements. Following planned retirements and a new launch at least 1/3 of the fleet is expected to have enhanced capabilities. The engagement helped increase our understanding of and conviction in the company's management of sustainability exposures. As a result, we upgraded the social pillar rating whilst our overall sustainability rating remained unchanged.

VEHICLE MANUFACTURER – CHINA

HUMAN RIGHTS AND SUPPLY-CHAIN DISCLOSURE

Background: The company is a China-based vehicle manufacturer producing battery-electric and plug-in hybrid passenger cars, buses and trucks. In December 2024, Brazilian authorities inspected a construction site in Brazil and reported that Chinese workers were operating under "slavery-like conditions". The workers had been hired by a Chinese sub-contractor, whose representative described the situation as a "cultural misunderstanding". The company subsequently terminated the sub-contractor's contract.

We identified the Brazil labour controversy as a material flag and a potential indication of gaps in the company's supply-chain oversight. A separate ongoing controversy concerning Uyghur labour (per 3rd party research) was not deemed financially material given the absence of new updates. We engaged to understand the allegations relating to sub-contracted workers at the Brazilian plant, as well as the company's plans to address them, and to assess whether the incident pointed to wider weaknesses in supplier oversight as the company expands internationally.

We engaged with an investor relations manager representing the company and also met with external research providers to discuss the matter further. We noted that Brazilian prosecutors filed a lawsuit against the company and two contractors.

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[23] See PGIM's POLICY & CONTEXT Report (FUNDAMENTAL EQUITIES (JENNISON), ACTIVE STEWARDSHIP) for more detail on our approach to active stewardship for fundamental equity strategies.

Outcome: The company confirmed its cooperation with authorities and its commitment to Brazilian law and global labour regulations. As a result of the engagement, we downgraded the company's sustainability rating, reflecting significant scope to strengthen labour oversight in its supply chain.

We expect improvements as the company continues to learn and adapt to different regional expectations and regulations as it expands internationally. The company's 2025 sustainability report disclosed a new supplier Code of Conduct, with supply-chain protocols covering: (i) internal policies spanning the full supplier lifecycle including supplier application for admission, audit performance management and removal; (ii) remediation and removal requiring that suppliers with audit issues or those who committed illegal or non-compliant acts to make timely corrections or risk having cooperation halted after the remediation deadline.

We will continue to monitor the implementation of the new Supplier Code of Conduct and the outcome of the Brazilian legal proceedings, and will re-engage if further evidence of supply-chain oversight gaps emerges.

TECHNOLOGY, U.S

DIGITAL PRODUCT RISK MANAGEMENT & SAFETY

Background: The company is a US-based technology firm operating social media and messaging platforms, as well as virtual reality (VR) hardware and related software. Our proprietary research identified weak Social pillar performance, with Product Safety as a key contributor. We engaged to gain deeper insight, share best practice and seek greater transparency on product risk management and product-safety practices (e.g. parental controls, youth-related content controls and safety features specific to underage users) across its social media and VR platforms, and to encourage improved quality of product-safety disclosures on design rollouts given current limitations.

Outcome: The engagement with company representatives, including members of the legal and corporate secretary teams, offered the following insights:

- Emphasised the benefits of AI in supporting safety initiatives, including age verification for minors.
- Pointed to existing parental controls and safety features for youth users.
- Revealed a recent policy update restricting teen accounts to PG-13 level content, with openness to future feature enhancements.
- Underscored continued strong monitoring of youth-related content controls and ongoing consultation with stakeholders on safety features.
- The company continues to consult a variety of stakeholders on its safety features and appears to be implementing permanent safeguards for minors' access to AI-powered chatbots - a positive shift, as earlier responses had appeared temporary and reactive to external pressure.

Overall, the engagement provided a helpful insight into the company's product-safety practices and reassurance that the company maintains strong monitoring of youth-related content controls and that safeguards for minors' access to AI-powered chatbots are being made permanent. However, the updates were insufficient to warrant a rating change, and we maintained the Social pillar rating as Weak post-engagement. We will continue to monitor the company's safety initiatives and the evolution of its own published metrics.

FOOD SERVICES – UK

SOURCING, SUPPLY-CHAIN RISKS AND SCOPE 3 EMISSIONS DISCLOSURE

Background: The company is a UK-based food service business providing outsourced catering and support services to corporates, schools, hospitals and sports venues. Our sustainability research highlighted a need for greater clarity on the company's sourcing practices and potential SDG alignment.

The company aims to increase sourcing of more sustainably labelled food inputs and has expanded its supply-chain monitoring. We engaged with the Investor Relations team and the Global Director of Sustainability to gain deeper insight into the company's environmental and social sourcing practices and goals, including:

- Quantitative metrics on healthier food consumption, avoided emissions and food-waste data collection;
- Supply-chain vulnerabilities, sustainable sourcing for meat suppliers, and the hurdles to meeting Scope 3 emissions-reduction goals;
- Whether current plans to measure aggregated waste would be extended to include packaging and water-related metrics; and
- Whether disclosures could evidence operational alignment with SDG 3 (Good Health and Well-being) and/or SDG 7 (Affordable and Clean Energy).

Outcome: The company provided helpful information on its supply-chain practices, including priorities for sourcing sustainable beverages, animal proteins and snacks. Specifically:

- Scope 3 reporting: the company is scaling supplier reporting to improve Scope 3 emissions information and plans to expand disclosure of key sourcing metrics in the coming year.
- Animal welfare: the company maintains a cage-free commitment and is recognised as a leader in animal welfare.
- Sustainable meat sourcing: the company outlined its approach but did not provide quantitative progress metrics.

We maintained our sustainability rating at the pillar and overall levels. While the company set out how it is prioritising environmental sourcing, it disclosed no quantitative progress, and we already view its social supply-chain management as robust. We were unable to obtain sufficient information to align the company to either SDG 3 or SDG 7 in the near term. We will continue to monitor the company's sourcing disclosures and re-engage as expanded metrics become available.

Proxy voting

Our proxy voting approach, governed by Jennison's Proxy Voting Policy, is grounded in fundamental analysis and led by investment professionals, who draw on third-party research, sustainability team input and engagement insights to vote in clients' best interests and support long-term value creation.

For the 12 months ended 31 December 2025, Jennison voted on 8,418 proposals of which 8,150 were initiated by management and 268 by shareholders. Among the management proposals, Jennison supported management 93.6% of the time.

Jennison

Total Proposals
8,418

Management			Shareholder		
8,150 96.8%			268 3.2%		
Supported	Opposed	Abst/Other	Supported	Opposed	Abst/Other
7,629 93.6%	226 2.8%	295 3.6%	77 28.7%	178 66.4%	13 4.9%

We most often opposed management proposals related to compensation and board related issues.

Management Proposals

	Supported Management		Opposed Management		Abstain/Other		
Topic	Total	% of Proposal	Total	% of Proposal	Total	% of Proposal	Total Voted
Board Related	5,132	95.4%	76	1.4%	172	3.2%	5,380
Compensation	910	83.6%	136	12.5%	42	3.9%	1,088
Audit/Financials	949	95.7%	0	0.0%	43	4.3%	992
Capital Management	311	97.8%	4	1.3%	3	0.9%	318
Changes to Company Statutes	167	96.0%	6	3.4%	1	0.6%	174
M&A	37	100.0%	0	0.0%	0	0.0%	37
Meeting Administration	67	74.4%	2	2.2%	21	23.3%	90
Miscellaneous	56	78.9%	2	2.8%	13	18.3%	71
Total Management	7,629	93.6%	226	2.8%	295	3.6%	8,150

Shareholder proposals primarily addressed governance and social issues. We supported 28.7% of all shareholder proposals during the 12-month reporting period.

Shareholder Proposals

	Supported Shareholder		Opposed Shareholder		Abstain/Other		
Topic	Total	% of Proposal	Total	% of Proposal	Total	% of Proposal	Total Voted
Governance	49	50.0%	38	38.8%	11	11.2%	98
Social	11	13.3%	70	84.3%	2	2.4%	83
Compensation	9	32.1%	19	67.9%	0	0.0%	28
Environment	7	13.2%	46	86.8%	0	0.0%	53
Miscellaneous	1	16.7%	5	83.3%	0	0.0%	6
Total Shareholder	77	28.7%	178	66.4%	13	4.9%	268

Full proxy voting records are available here.

Shareholder proposals

VOTE FOR SHAREHOLDER PROPOSAL

TO SUPPORT FORMAL ACTION PLAN RELATING TO WASTE DISCLOSURE

Company: Discount retailer

Sector: Consumer Discretionary

Region: North America

Context: A shareholder proposal requested that the company establish a policy to minimise operational waste, including setting clear objectives and developing a formal action plan.

Issue: Environmental (waste management and product lifecycle impacts).

Voting Decision: FOR

Rationale: We consider waste management, including product and packaging waste, to be a material issue for retailers. A formal waste minimisation policy could strengthen environmental management and support long-term value creation. In our view, proactive management of environmental issues beyond minimum legal requirements positions companies well to respond to evolving regulation and reduces reputational risk. This issue is particularly relevant given recent scrutiny. A 2024 report alleged that employees were instructed to dispose of unsold inventory, including perishable and seasonal goods. While the company has since taken steps, including revising inventory markdown practices and piloting a product donation programme, we consider these actions incremental rather than comprehensive. We believe a more structured approach, including clearer objectives, formal accountability, and greater supplier engagement is needed. We thought the proposed policy was sufficiently flexible to allow management to focus on the most material aspects of waste reduction.

Outcome: The proposal was not supported by shareholders. We will continue to monitor the company's progress on waste reduction practices through ongoing engagement and investment research.

VOTE FOR SHAREHOLDER PROPOSAL

TO SUPPORT REPORT ON POTENTIAL COST SAVING OF ADOPTING A SMOKE-FREE POLICY

Company: Casino company

Sector: Consumer Discretionary
Region: North America

Context: A shareholder proposal requested that the Board commission and disclose a report assessing the potential cost savings from adopting a smoke-free policy across company properties. The report would be prepared at reasonable cost and exclude confidential or proprietary information.

Issue: Social (employee and customer health, operational risk).

Voting Decision: FOR

Rationale: We consider exposure to second-hand smoke to be a financially material issue for the sector. A report assessing the costs and benefits of adopting a smoke-free policy would provide decision-useful insight into how the company manages this risk. In particular, it would improve transparency on the potential operational and financial implications of policy change, and enable shareholders to evaluate claims that smoke-free environments can enhance employee wellbeing and commercial performance. Given the relatively low cost of producing the report and its potential to inform long-term value creation, we viewed the additional disclosure as warranted.

Outcome: The proposal was not supported by shareholders. We will continue to monitor how the company manages health-related operational risks and assess any future developments through engagement and investment research.

VOTE FOR SHAREHOLDER PROPOSAL

VOTING FOR A PROPOSAL TO ADOPT A WATER RIGHTS POLICY

Company: Specialised REIT

Sector: Real Estate

Region: U.S.

Background: Shareholders requested that the company adopt a policy regarding "respect for and commitment to the human right to water." The proposal sought alignment with international human rights standards and asked for disclosure on strategic details.

Issue: Water management

Voting Decision: FOR

Rationale: In line with our and SASB methodologies, Water Management is a key issue exposure for this company and its peers. This includes disclosing water management risks and strategies to mitigate risks, including disclosing water withdrawal by portfolio area and percentage exposure to water stress, by property sector. We viewed the proposed policy as facilitating equitable and sustainable water management, which could theoretically have a positive impact on the company's business. The proposed policy would include water scarcity as a core metric for operational management. While the company noted it is expanding its dry cooling systems and water conservation projects, we believe this policy would be useful given its large global presence and its potential inorganic growth, which can include acquiring water-based cooling systems, Furthermore, the proponent points to the potential effect of AI demand growth on water usage across data center providers, as well as the continued systemic risk of global water scarcity.

Outcome: This shareholder proposal did not pass at the 2025 AGM, receiving approximately 10.4% of support. We generally view more than 10% of votes cast in support as a meaningful level, indicating a significant level of shareholder interest in the topic. We will assess the company's approach to responsible water management and community impact management on an ongoing basis through our approach to sustainable research.

DIFFERENTIATED VOTE

TO SUPPORT ENHANCED AI DATA GOVERNANCE AND PUBLIC-WELFARE RISK DISCLOSURE FOR ESG-FOCUSED UCITS STRATEGY

Company: Large-cap company

Sector: Information Technology
Region: North America

Context: A shareholder proposal requested that the Board publish a report assessing the risks arising from the use of external data in the development and deployment of the company's artificial intelligence (AI) systems. This included risks to operations, financial performance, and public health, safety and welfare, as well as the effectiveness of mitigation measures.

Issue: Governance and social (AI risk, data governance, public welfare).

Voting Decision and Rationale:

- Our general assessment was AGAINST the proposal, recognising that the company has taken steps to strengthen its approach to data privacy and AI governance. In 2024, the company published standards setting out how it addressed privacy risks associated with AI integration, building on its established framework for managing data access, identity and security across its products.
- Our ESG-focused UCITS strategy voted FOR the proposal driven by strategy-specific objectives. Given the early-stage and evolving nature of AI risks, reliance on third-party partnerships with varying data governance standards; and exposure to external controversies, including alleged misuse of data and legal challenges related to data access and intellectual property, the investment team considered that additional transparency would be decision-useful for sustainability-focused investors.

Outcome: The proposal was not supported by shareholders. We will continue to monitor developments in AI governance, data usage practices and disclosure, and assess these through ongoing engagement and investment research.

VOTE AGAINST SHAREHOLDER PROPOSAL – WITH MANAGEMENT

VOTING AGAINST A PROPOSAL TO OVERSEE AND REPORT ON A CIVIL RIGHTS AUDIT

Company: Large Cap Company

Sector: Industrials
Region: North America

Background: A shareholder proposal requested that the company commission and oversee a civil rights audit, conducted consistent with the Civil Rights Audit Standards.

Issue: Social, Human Capital Management

Voting Decision: AGAINST

Rationale: We voted against this resolution, as the company has recently taken actions to show it is compliant with the new executive orders regarding DEI programs, and risks posed by its efforts to minimise discriminatory hiring practices do not appear to be material.

Outcome: The proposal did not pass at the 2025 AGM, having received approximately 6.5% support. We will continue to monitor the company's approach to human capital management and disclosure through engagement and investment research, as well as through research on future shareholder proposals regarding related topics.

VOTE AGAINST SHAREHOLDER PROPOSAL – WITH MANAGEMENT

VOTING AGAINST A PROPOSAL TO REPORT ON EFFORTS TO REDUCE PLASTIC USE

Company: Large Cap Company

Sector: Consumer Staples
Region: North America

Background: A shareholder proposal requested that the company report on how it could address flexible plastic packaging to reduce its contribution to plastic pollution.

Issue: Environmental, Packaging Lifecycle Management

Voting Decision: AGAINST

Rationale: This proposal requested that the company issue a standalone report describing how the company "could address flexible plastic packaging … to reduce its contribution to plastic pollution." However, the company already issues detailed disclosures of its efforts to reduce its use of virgin petroleum plastic and increase recyclable or reusable packaging to 100% by 2030. The company's annual Citizenship Report includes updates on progress toward its virgin plastic reduction and recycling/reuse targets – as of EoY 2024, 78% of its consumer packaging was recyclable/reusable and the company had reduced virgin petroleum plastic in packaging by 13% vs. the 2017 baseline.

Outcome: This shareholder proposal did not pass at the 2025 AGM, receiving approximately 13.73% support. We generally view support of 10% or more for a shareholder proposal as an indication of significant shareholder interest in the topic. We will continue to monitor and assess the company's progress in reducing its use of virgin petroleum plastic by 2030 and their disclosure through ongoing engagement and investment research.

Management proposals

VOTE FOR MANAGEMENT PROPOSAL

VOTING FOR PROPOSAL TO DECLASSIFY THE BOARD OF DIRECTORS

Company: Large-Cap Company

Sector: Information Technology

Region: North America

Context: The board sought shareholder approval to amend the company's certificate of incorporation to declassify its board of directors. The change, if passed, would be phased in over a three-year period. We had engaged with the company in years prior to this AGM, including on this topic, and heard from management on its perspective.

Issue: Corporate Governance (Board structure)

Voting Decision: FOR

Rationale: We view a de-classified board as generally positive for shareholder rights, as it ensures that shareholders can provide input on directors via voting more regularly. It enhances board accountability to shareholders and demonstrates a commitment to shareholders' interests on the part of management.

Outcome: Although this management proposal received overwhelming shareholder support (more than 99% of votes cast), it did not pass at the 2025 AGM because amendments to the company's bylaws require approval above a simple majority threshold. We view this outcome as indicative of the procedural challenges associated with bylaw amendments, rather than indicative of issues for this specific company. Going forward, the company could seek to improve shareholder turnout at future AGMs and, where available under its governing framework, consider alternative mechanisms to achieve board declassification.

VOTE FOR MANAGEMENT PROPOSAL

VOTING FOR PROPOSAL TO APPROVE CLIMATE-RELATED FINANCIAL DISCLOSURES

Company: Large-Cap Company

Sector: Industrials

Region: Europe

Context: A management proposal requested that shareholders approve of the company's climate-related financial disclosures.

Issue: Environmental (climate) management

Voting Decision: FOR

Rationale: We believe that the 2024 Climate Report resolves most of our questions about the company's decarbonisation plan. After previously achieving its decarbonisation targets well ahead of schedule, the company has issued new, more stringent targets including Net Zero by 2050. The 2024 Climate Strategy Report includes some detail on the company's newly targeted cap on offsets by 2050. The company will likely submit future Climate Reports for shareholder approval annually, allowing shareholders to scrutinise the offsetting plan as 2050 approaches.

Outcome: This proposal passed at the 2025 AGM with more than 96% shareholder support. We will continue to assess the company's management of climate-related risks and opportunities, as well as the quality of its associated disclosures, through ongoing engagement, investment research and our evaluation of future Say on Climate proposals.

VOTE AGAINST MANAGEMENT PROPOSAL

VOTING AGAINST PROPOSAL TO ADOPT A FORUM SELECTION CLAUSE

Company: Mid-Cap Company

Sector: Industrials

Region: North America

Context: The director nominee serves as chair of the Corporate Governance and Nominating and Governance committee. During the past year, the board amended the Company's bylaws to adopt a forum selection clause which provides that the federal district courts of the United States shall be the exclusive forum for the resolution of any claim arising under the Securities Act of 1933, as amended.

Issue: Corporate Governance (by-laws, shareholder rights)

Voting Decision: AGAINST

Rationale: The amendment represents a reduction in shareholder rights without demonstrated compensating benefit, particularly given its adoption without shareholder approval.

Outcome: This management proposal passed at its 2025 AGM, though we note that the director nominee received approximately 91.1% support. This highlights shareholder concerns with the governance committee's actions to reduce shareholder rights but does not meet our threshold for a significant level of shareholder opposition. We will assess the company's approach and management of shareholder rights through ongoing engagement and investment research.

VOTE AGAINST MANAGEMENT PROPOSAL

SAY ON CLIMATE

Company: Water Utilities

Sector: Utilities

Region: Europe

Context: A management proposal requested that shareholders approve of the company's climate-related financial disclosures, which were prepared in line with the TCFD standards.

Issue: Environmental (climate) management

Voting Decision: AGAINST

Rationale: The function of the 'say on climate' vote, in line with the rationale for shareholder proposals more generally, is to enable shareholders to voice feedback on issues they see as important to the business. In this case, issues like water and energy management are material to the company. We would like to see evidence of engagement and steps taken to integrate past shareholder feedback into climate disclosure. Further, the company may be on track for its medium-term SBTi-approved GHG reduction goals, but it has yet to set a net zero target that encompasses Scope 3 across all businesses. Further as third-party research providers note, the Science-Based Targets Initiative's website notes the company's net zero goal has been "removed."

Outcome: This management proposal passed at its 2025 AGM, though we note that it received approximately 13.1% votes cast against. We generally view more than 10% of votes cast against as a meaningful level, expressing a significant level of shareholder feedback. In theory, this level of dissent can encourage the company to engage with a wide group of shareholders on this topic.

QUANTITATIVE EQUITIES

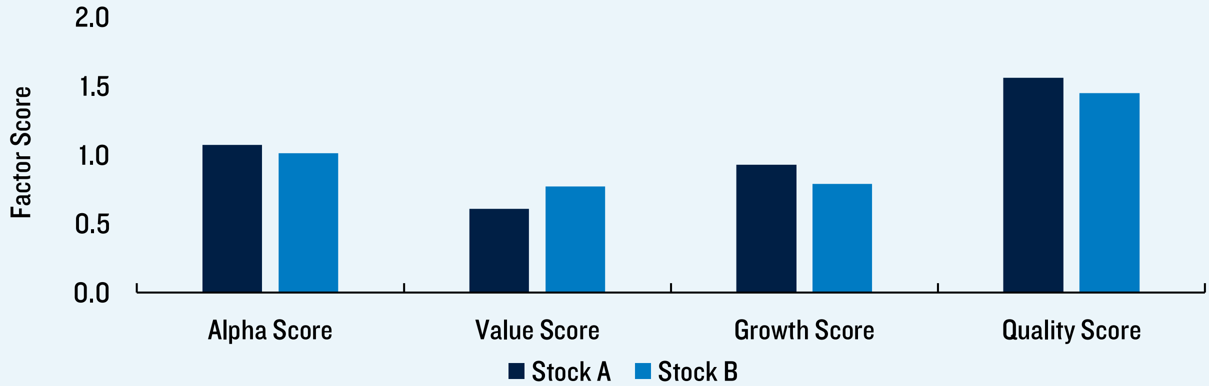
Managing Investment Risks and Opportunities

In quantitative equities, we integrate sustainability into investment decision-making as part of a broader, data-driven assessment of risk. Our process draws on a wide range of information to evaluate risks across company-specific economic, business and regulatory dimensions, recognising that sustainability factors represent one component of the overall risk environment. We seek to identify material risks arising from sustainability factors by combining quantitative modelling expertise with a materiality framework informed by SASB standards.[24] The following case studies demonstrate this approach in practice.

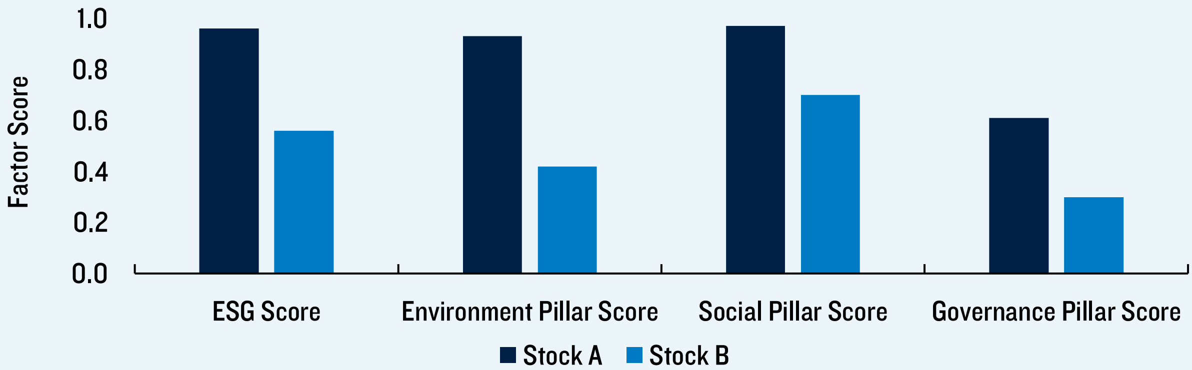
GLOBAL UCITS STRATEGY

INTEGRATING SUSTAINABILITY INSIGHTS ALONGSIDE ALPHA SIGNALS

In our quantitative equity global UCITS strategy, we observe two stocks in the U.S. Software & Service industry with similar alpha scores and alpha attributes. The alpha score comprises quantitative assessments across value, growth, and quality attributes.



The overall ESG scores and individual E/S/G scores measure the attractiveness level across environmental, social, and governance categories. In this case, Stock A demonstrates a higher ESG score, as well as higher underlying E/S/G component scores, than Stock B.



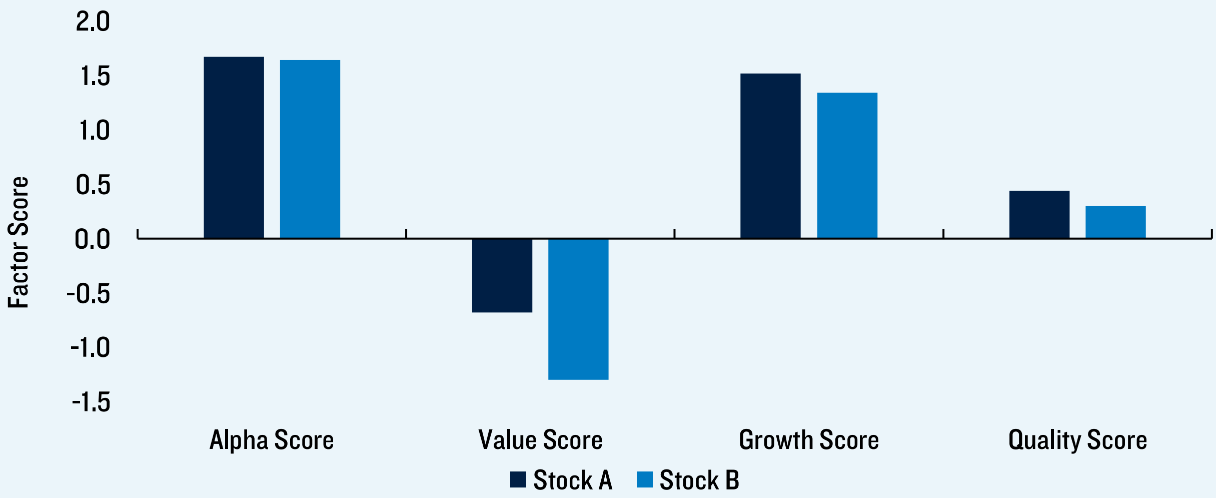
As a result, the portfolio construction process, balancing alpha objectives with ESG considerations is that Stock A is held in the portfolio while Stock B is not. This illustrates how the portfolio can maximise exposure to higher alpha stocks and simultaneously improve the portfolio-level ESG scores.

[24] See PGIM's POLICY & CONTEXT Report (QUANTITATIVE EQUITIES, MANAGING INVESTMENT RISKS AND OPPORTUNITIES) for more detail on the integration process for quantitative equity strategies.

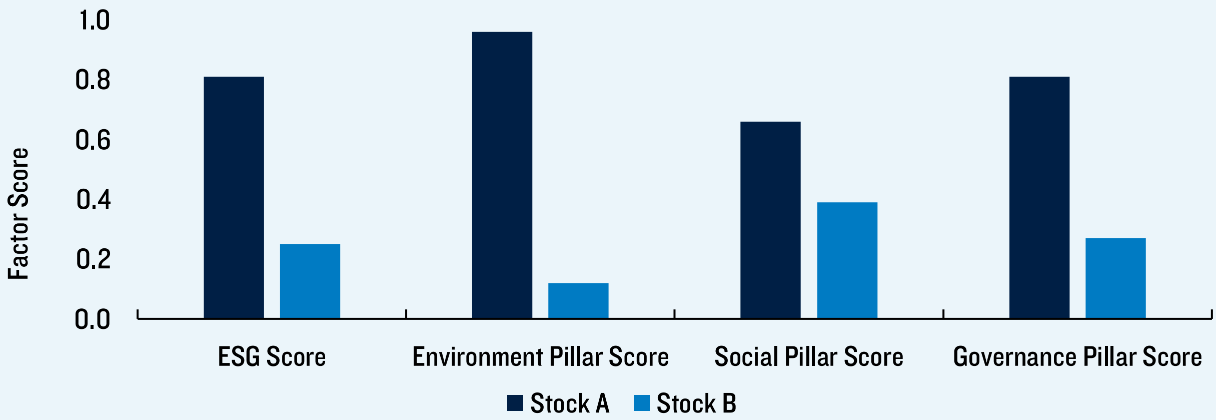
EMERGING MARKETS UCITS STRATEGY

INTEGRATING ESG INSIGHTS ALONGSIDE ALPHA SIGNALS

In our quantitative equity Emerging Markets UCITS strategy, we observe two Information Technology companies in China with similar alpha scores and alpha attributes. The alpha score compromises quantitative assessments across value, quality and growth attributes.



The ESG score maps various material risk issues into underlying environmental, social and corporate governance risk categories. In this case, Stock A demonstrates a higher ESG score as well as higher underlying E/S/G component scores than Stock B.



As a result of the portfolio construction balancing alpha objectives with ESG considerations, Stock A is held in the portfolio while Stock B is not. This is another example to illustrate how the portfolio can maximise exposure to higher alpha stocks and simultaneously improve portfolio-level ESG scores.

Sustainability Solutions for Clients [25]

A primary objective of our quantitative equity sustainability portfolio construction process is to build portfolios that promote exposure to companies with stronger sustainability management attributes, while maintaining disciplined, systematic portfolio construction. Our approach ensures that targeted companies with strong sustainability attributes are also relatively more attractive investments based on their fundamental quantitative factors. Considering additional performance drivers also helps identify opportunities where the benefits of sustainability are mispriced and

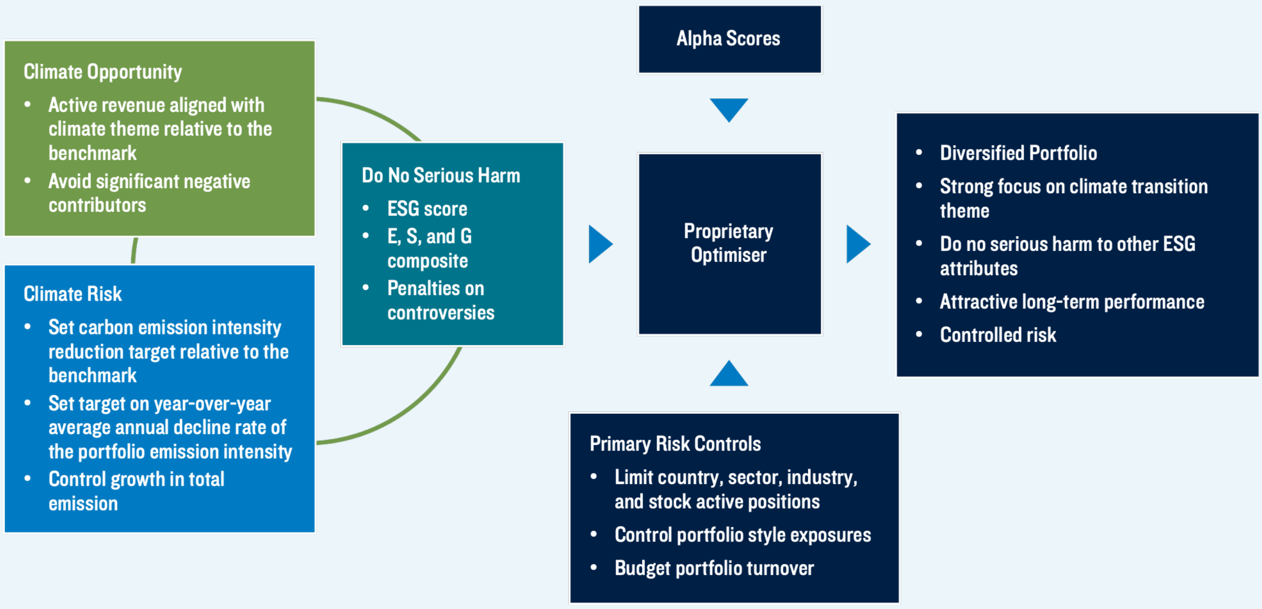
[25] See PGIM's POLICY & CONTEXT Report (QUANTITATIVE EQUITIES, SUSTAINABILITY SOLUTIONS FOR CLIENTS) for more detail on the sustainability solutions for clients in quantitative equity strategies.

sustainability translates into growth. The quantitative equity team works with investors to optimise for their sustainability objectives.

DELIVERING CLIENTS' CLIMATE TRANSITION OBJECTIVES

Background: A core-like equity approach integrating climate risk mitigation and solutions exposure while preserving diversified factor balance. Designed for professional investors seeking to manage transition and physical climate risks and capture secular growth from climate solutions within a mainstream equity allocation.

The strategy invests globally with modest active country tilts typically within ±1.5% and across sectors using systematic tilts informed by climate opportunity and risk signals rather than single-name views. Sustainability integration concentrates on climate solutions, climate transition risks and screening for non-climate sustainability risks. The strategy targets clear sustainability outcomes while maintaining core-like portfolio characteristics: ~+20% net SDG revenue alignment versus MSCI ACWI; ≥50% lower carbon emissions intensity versus benchmark; ≥7% annual self-decarbonisation rate (or market-matched where the market decarbonises faster); constrained absolute Scope 1+2 emissions growth (≤0% or no worse than market); controlled tracking error and balanced Value, Quality and Growth factor exposures through a full market cycle.



Outcome: The approach delivered the targeted sustainability characteristics while retaining disciplined portfolio construction:

- ~+20% net revenue aligned to climate solutions versus benchmark, with positive alignment across all targeted SDGs
- ~70% lower carbon emissions intensity versus MSCI ACWI (exceeding the ≥50% objective)
- ≥7% annual self-decarbonisation achieved (or market-matched where applicable)
- Absolute emissions growth constrained, reducing reliance on intensity-only improvements.
- Improved ESG risk profile: persistent uplift in proprietary overall ESG and E, S and G scores versus benchmark.
- Core-like characteristics maintained: simulated results show ~+1.50% annualised active return with ~1.78% tracking error (vs MSCI ACWI), with balanced factor exposures and disciplined country/sector tilts.

Overall, the approach demonstrates that climate objectives can be pursued without outsized macro bets. Combining product-level SDG alignment with robust sustainability risk screening improves the quality and durability of climate solutions exposure, while managing absolute emissions alongside intensity better reflects credible decarbonisation pathways. Maintaining factor balance further supports portfolio resilience across market cycles. Building on this foundation, next steps include refining climate alignment targets and continuing to enhance our sustainability model - data breadth, controversy treatment, and sector specific materiality - and monitor policy/technology shifts that affect transition risk premia.

Active Stewardship [26]

Despite the highly systematic, data-driven and model-driven nature of quantitative equities, stewardship is an important focus for addressing financially material risks and promoting sustainable business practices across highly diversified portfolios. Stewardship is primarily delivered through collaborative and third-party engagements, prioritised based on portfolio exposures to maximise coverage and support targeted outcomes. The following case studies demonstrate this approach in practice.

Company engagement

AGRICULTURAL COMMODITIES & FOOD COMPANY, US

FINANCIAL CONTROLS, HUMAN RIGHTS AND NATURE-RELATED RISK GOVERNANCE

Background: A bilateral engagement, supported by a third-party engagement service provider, with a US-based global agricultural commodities and food ingredients company that has complex, geographically dispersed supply chains. We engaged senior management, Investor Relations and sustainability leadership, including the newly appointed Chief Sustainability Officer, across three interconnected areas of material risk:

- Accounting and business ethics: concerns around board oversight, management accountability and the alignment of remuneration with effective risk management, following the internal investigation, restatements and continued disclosure of material weaknesses in internal controls through FY2024.
- Supply-chain human rights, labour and health & safety: elevated risks in certain sourcing regions, including forced or prison labour, weaker worker protections and deforestation concerns, alongside the strength of supplier screening, audit coverage, escalation and grievance mechanisms.
- Nature-related and value-chain risk governance: limited board-level oversight and weak integration of nature dependencies (land use, biodiversity, water) into enterprise risk management.

The engagement focused on: strengthening confidence in financial integrity by testing remediation actions, control enhancements, governance oversight and accountability mechanisms; assessing the effectiveness of human-rights due diligence, including how labour and human-rights performance influences supplier selection, monitoring and escalation in higher-risk regions; and encouraging clearer governance and integration of nature-related risks, including board accountability and integration into risk management and reporting.

Outcome: The engagement delivered mixed but constructive results across the three areas:

- Accounting and ethics: the company confirmed restatements, made leadership changes, strengthened internal controls and continued to cooperate with regulators, but persistent material weaknesses indicate remediation is still underway.
- Supply-chain human rights, labour and health & safety: the company implemented a global supply-chain due-diligence SOP aligned with UNGP/OECD expectations, completed its first human-rights salience assessment, expanded risk-based third-party audits (including Sedex), and improved transparency on deforestation-free sourcing and traceability. We clarified that labour and human-rights factors currently inform screening and risk management rather than being weighted equivalently to price and quality in supplier scorecards, although pilots such as supplier-maturity assessments are developing for certain non-commodity suppliers.

[26] See PGIM's POLICY & CONTEXT Report (QUANTITATIVE EQUITIES, ACTIVE STEWARDSHIP) for more detail on our approach to active stewardship for quantitative equity strategies.

- Nature-related and value-chain risk governance: the company has progressed on biodiversity mapping, regenerative agriculture and water-risk assessments, but clearer board accountability, quantification pathways and stronger linkage to financial risk management remain priorities for continued dialogue.

We will monitor the closure and effectiveness of internal-control remediation, continue to scrutinise leadership accountability and pay alignment, press for labour and human-rights performance to be embedded deeper into supplier decision-making in higher-risk regions, and push for clearer board oversight and integration of nature-related and value-chain risks into enterprise risk management and disclosure.

DIVERSIFIED INDUSTRIALS, CHINA

BUSINESS ETHICS, DUAL CARBON IMPLEMENTATION AND PRODUCT DESIGN

Background: We engaged a large, diversified Chinese conglomerate spanning finance, industrial manufacturing, energy, resources and infrastructure to assess its governance and management of material sustainability risks. We held bilateral dialogue and a detailed conference call with the company's sustainability representatives, reinforced by a written follow-up alongside our third-party engagement service provider. Our engagement objectives focused on key risks :

- Business ethics: a major past corruption case made clear that ethics remains a material risk given the company's scale and decentralised operating model. Disclosure and governance have improved, but the incident underscores the need for consistent enforcement and oversight across subsidiaries.
- Carbon management: the company has reported reductions in carbon intensity and published carbon-related materials, but we sought clearer evidence of consistent group-wide implementation of the 'dual carbon' strategy and clarification on allegations of continued fossil-fuel financing.
- Product design and lifecycle management: limited clarity on the definition of "clean technology", targets to scale clean-technology investment and a roadmap to support delivery over time. We sought to clarify targets, definitions and roadmap to increase clean-technology investment and strengthen product governance across the group.

Outcome: The engagement delivered the following outcomes:

- Business ethics: the company confirmed that ethics standards are subject to regular audits, internal inspections, compliance reviews and Board reporting, supported by formal remediation processes. Ethics remains a residual risk given the group's complexity and past incidents.
- Carbon management: the company has integrated the 'dual carbon' strategy into group-level strategic planning since 2021–2022 and made it mandatory for subsidiaries, with action plans aligned to the central strategy. It told us it was not financing new large-scale fossil-fuel projects and characterised relevant lending activity — primarily through its bank — as transition-focused in high-emitting sectors (efficiency upgrades, technological improvements, energy-system restructuring) with sustainability criteria embedded in credit due diligence and projects lacking credible emissions-reduction measures excluded.
- Clean technology: the company defines 'clean technology' in line with international and Chinese regulatory guidance and plans to expand investment once internal classification systems are finalised, pointing to renewable and green power, energy-efficiency upgrades, electrification of industrial vehicles, and enhanced sustainability practices in mining. It has not set quantitative, time-bound targets, and product governance and lifecycle management remain areas for further improvement.

We will continue to engage, alongside our third-party service provider, to monitor evidence of effective ethics oversight, assess the delivery and consistency of 'dual carbon' action plans across subsidiaries (including disclosure quality and progress tracking), and press for clearer commitments, definitions and measurable targets for clean-technology investment and product-lifecycle management.

INTEGRATED OIL & GAS, EUROPE

SAFETY MANAGEMENT AND POLLUTION CONTROLS

Background: We undertook a multi-year engagement with a European integrated oil & gas company to support long-term value preservation through stronger operational controls and more decision-useful disclosure. We engaged through an investor-group call convened by our third-party engagement service provider, with ongoing follow-up planned as the company's sustainability risk profile improves and our focus shifts to disclosure maturity. We prioritised the company given the inherent operational risk profile of its offshore and onshore activities, and identified transparency gaps across three high-severity areas:

- Contractor safety: contractors account for around two-thirds of total work hours and have historically reported higher injury frequency than employees (contractor TRIF 2.6 versus employee TRIF 1.7 in 2023), making consistent safety standards critical.
- Incident and safety management: limited clarity on critical-incident management (including ISO 45001 certification), lifecycle technical asset integrity and the operationalisation of the company's Plant Safety Strategy, particularly for offshore well infrastructure.
- Environmental risks: insufficient goals and KPIs for material non-GHG air pollutants (SOx, NOx, VOCs), alongside gaps in disclosure on effluents, spill prevention and the de-risking of renewables and low-carbon pipelines.

We engaged to assess contractor coverage under the 'Always Safe' framework and the strength of leadership accountability; clarify major-accident prevention, critical-incident management and alignment with ISO 45001 certification (or equivalent assurance); improve transparency on lifecycle asset-integrity governance and the operationalisation of the Plant Safety Strategy, especially offshore wells; and encourage disclosure of non-GHG emissions targets and environmental controls.

Outcome: The engagement delivered the following:

- Safety governance: the company reported progress through a safety roadmap, a major-accident prevention approach, improved indicators (TRIF/SIF), barrier management and leadership engagement.
- Environmental risks: the company described a more structured approach, including an updated environmental policy, ongoing certification of onshore assets, continuous monitoring, chemical substitution and circularity initiatives.
- Open priorities: we found that consistent application of the 'Always Safe' framework to contractors is not fully evidenced; ISO 45001 certification intent (or comparable assurance) remains unconfirmed; detailed disclosure on offshore well integrity and Plant Safety Strategy implementation was deferred in 2025 with a commitment to follow up; and corporate targets and KPIs for material non-GHG air emissions are still not clearly articulated. Effluent and spill goals, and the approach to de-risking renewables and low-carbon pipelines, also remain follow-up topics.

We have targeted follow-up for 2026 to close remaining questions on contractor coverage and safety-behaviour modelling, ISO 45001 assurance, offshore integrity and Plant Safety Strategy operationalisation, and the publication of non-GHG air emissions targets and KPIs, while progressing our expectations on effluent and spill prevention and renewables-pipeline de-risking.

METALS & MINING, AUSTRALIA

WATER STEWARDSHIP, CLIMATE TRANSITION AND WORKER SAFETY

Background: From October 2022 to December 2025, we engaged an Australian diversified metals and mining company through sustained dialogue led by our third-party engagement service provider, including direct calls with Investor Relations. We focused on water stewardship, decarbonisation and worker-safety risks across the company's global portfolio, given their importance to long-term value and to the company's social licence to operate. We prioritised three areas given their implications for regulatory compliance, operational continuity, cost of capital and reputational risk:

- Environmental impacts: water use, wastewater and tailings management alongside legacy environmental liabilities.
- Air quality and climate transition: the absence of a group-wide quantitative Scope 3 emissions-reduction target and limited clarity on the approach to phasing out carbon-intensive infrastructure.
- Health and safety: elevated risks, including fatalities and safety concerns at a high-risk, contractor-intensive joint-venture development.

We engaged to encourage stronger governance, systems and disclosure on water, climate and safety risks; improve transparency on targets and implementation; and support accountability, including the use of independent assessments where appropriate.

Outcome: The engagement delivered the following:

- Water stewardship: the company improved governance and disclosure, building enhanced frameworks and in-house expertise. We concluded that the strategy and disclosure is now comparatively mature and closed the engagement in December 2025. Gaps remain on disclosure of environmental audits and wastewater reduction, reuse and recycling — particularly in non-operated joint ventures — and on the systematic use and public disclosure of independent water-impact assessments.
- Climate: the company demonstrated progress on Scope 1 and 2 decarbonisation, including expanded use of renewable PPAs and updated CapEx guidance, but has not adopted a group-wide, science-based quantitative Scope 3 reduction target. Governance and disclosure improved, but the company has not fully phased out fossil-fuel-centric infrastructure and continues to take a financially optimised rather than explicit phase-out approach. We will continue to monitor this.
- Health and safety: serious concerns arose during 2024–2025 following fatalities at a complex construction project involving contractors and joint-venture partners. The company publicly stated that safety is its highest priority and referenced suspensions and investigations after fatal incidents. Through engagement, we tested how safety is prioritised relative to project timelines, what corrective actions were taken (covering maintenance, risk assessments and medical facilities), and whether independent third-party safety audits were commissioned and could be disclosed at least in summary form. The company referenced reviews and investigations, but explicit disclosure confirming independent third-party safety audits and their outcomes remains limited — an important area for follow-up.

Several priorities remain relevant for ongoing monitoring and potential re-engagement: improved transparency on environmental-audit practices and wastewater circularity across the portfolio (including non-operated joint ventures); clearer articulation and disclosure of independent water-impact assessment practices; more explicit pathways for reducing exposure to carbon-intensive infrastructure; and stronger independent oversight and transparency on worker health and safety, particularly at complex, contractor-heavy joint-venture projects. These areas matter for sustaining the company's operational resilience, risk management and social licence to operate.

Engaging with service providers

ENGAGING PROXY ADVISORS AND SUSTAINABILITY RESEARCH AND ENGAGEMENT SERVICE PROVIDERS ON SCHEDULE 13D AND 13G DISCLOSURE (US ISSUERS)

Background: The quantitative equities group uses third-party providers for proxy voting and sustainability research and engagement services. We conduct annual and ongoing due diligence of key providers, including assessment of methodologies, conflicts management, engagement practices, quality controls, and operational resilience. Oversight is supported by cross-functional review across Investment, Compliance, Legal, Risk and Operations teams.

Outcomes: Targeted engagement with providers has delivered tangible process improvements. As an example, following dialogue on U.S. regulatory requirements under Schedule 13D and 13G, our engagement provider introduced enhanced pre-engagement disclosures clarifying intent and reducing the risk of issuer misinterpretation.

Proxy voting

Our proxy voting approach relies on established voting guidelines that reflect our views on corporate governance, material risks and other issues relevant to long-term investment performance. Whilst these guidelines provide a consistent framework, they are applied with discretion, taking into account company-specific circumstances and the potential economic impact of each proposal. Our full Proxy Voting Results for quantitative equities are publicly available on our website: https://www.pgim.com/us/en/institutional/solutions/sustainability/stewardship

For the 12 months ended 31 December 2025, our quantitative equities group voted on 77,654 proposals of which 76,405 were initiated by management and 1,249 by shareholders. We supported management proposals 90% of the time.

Quantitative Solutions

Total Proposals
77,654

Management	Shareholder
76,405 98.4%	1,249 1.6%

	Supported	Opposed	Abst/Other
Management	68,777 90.0%	5,564 7.3%	2,039 2.7%
Shareholder	320 25.6%	880 70.5%	37 3.0%

The case studies below demonstrate how a range of qualitative and contextual factors are considered in reaching our voting decisions.

VOTE FOR SHAREHOLDER PROPOSAL

TO SUPPORT GHG EMISSIONS DISCLOSURE AND MEASURABLE REDUCTION TARGETS

Company: U.S. Apparel and Footwear Company

Sector: Consumer Discretionary (Textiles, Apparel & Luxury Goods)

Region: North America

Context: A shareholder proposal requested that the company annually disclose GHG emissions and set short-, medium-, and long-term reduction targets, with annual progress reporting. The company indicated it plans to begin reporting Scope 1 and 2 emissions in 2025 and Scope 3 emissions in 2026, but considers formal target-setting and a transition plan premature at this stage.

Issue: Environmental (climate risk, GHG emissions disclosure and target-setting).

Voting Decision: FOR

Rationale: We supported the proposal as it addresses a clear investor information gap on how the company is managing climate-related risks. The company acknowledges in its 10-K that climate change may increase operating costs and disrupt supply chains. This risk is particularly relevant in the apparel sector, where exposure to extreme weather in key manufacturing regions is expected to increase materially. However, in the absence of emissions disclosure and mitigation plans, investors lack the information required to assess the company's preparedness. The proposal is proportionate and flexible, requesting disclosure of emissions and measurable targets with annual progress updates, without prescribing a fixed methodology. This approach aligns with emerging market practice and peer disclosures, and supports comparability for investors. While the company has begun developing its emissions inventory, we believe supporting the proposal reinforces the importance of timely disclosure and accountability, particularly as regulatory expectations evolve. Establishing a clear baseline would enable more robust target-setting over time.

Outcome: The proposal was not supported by shareholders. We will monitor delivery of Scope 1 and 2 emissions reporting in 2025 and Scope 3 reporting in 2026, as well as the development of reduction targets and progress reporting. We will also assess whether future disclosures are sufficiently decision-useful, including scope coverage, methodological consistency, governance oversight and year-on-year comparability.

VOTE AGAINST SHAREHOLDER PROPOSAL

TO OPPOSE REMOVING EXISTING EMISSIONS REDUCTION TARGETS

Company: U.S. Energy Company

Sector: Energy (Oil, Gas & Consumable Fuels)
Region: North America

Context: A shareholder proposal requested that the company remove all GHG emissions reduction targets covering its operations and energy products. The company stated that its existing 2030 targets are aligned with its energy transition strategy, supported by scenario analysis and subject to regular Board oversight.

Issue: Environmental (climate strategy, governance and accountability for emissions reduction targets).

Voting Decision: AGAINST

Rationale: We did not support the proposal as it conflicted with effective risk management and governance practices in a sector where GHG emissions are financially material. Emissions reduction targets represent an important mechanism for operational discipline, board oversight and investor monitoring. Removing these targets would weaken accountability at a time when climate-related risks are increasingly relevant to long-term performance. The company currently demonstrates relatively robust climate governance and disclosure, including reporting across Scope 1, 2 and 3 emissions, alignment with recognised frameworks such as TCFD and IFRS S2, and active Board oversight of climate strategy. The company's targets are embedded within broader strategic planning, informing asset-level emissions reduction efforts, supporting innovation and helping mitigate regulatory risks. We also note that the company's approach has received broad shareholder support, and the proponent did not provide sufficient evidence that maintaining emissions targets poses a material risk to shareholder value. From a stewardship perspective, retaining measurable targets supports ongoing engagement focused on implementation quality, including capital allocation, methane management, flaring, verification and scenario analysis, rather than removing the framework entirely.

Outcome: An overwhelming majority of shareholders voted against the proposal. We will continue to monitor the company's progress against its emissions targets, including governance oversight, assurance practices and any changes in target design. We will also assess how these factors affect comparability and credibility over time, recognising that in high-emitting sectors maintaining robust climate accountability mechanisms supports long-term risk management.

VOTE FOR SHAREHOLDER PROPOSAL

TO SUPPORT GHG EMISSIONS DISCLOSURE

Company: U.S. Ground Transportation Company

Sector: Industrials (Road Transportation)

Region: North America

Context: A shareholder proposal requested disclosure of how the company intends to reduce Scope 1 and 2 greenhouse gas emissions in line with interim and long-term targets aligned with the Paris Agreement.

Issue: Environmental (climate strategy, GHG emissions targets and alignment with the Paris Agreement).

Voting Decision: FOR

Rationale: We supported the proposal on the basis of financial materiality and a clear gap in climate strategy and disclosure. GHG emissions are a financially material risk for the road transportation sector, reflecting exposure to fuel costs, regulatory requirements and increasing customer demand for decarbonisation. While the company discloses Scope 1, 2 and 3 emissions, it does not maintain Scope 1 or 2 reduction targets, placing it behind a majority of large-cap peers. This absence of targets limits investors' ability to assess how the company is managing transition risks and positioning its business for a lower-carbon economy. By contrast, peers have adopted emissions reduction targets and more advanced disclosure frameworks, highlighting the company as an outlier within its sector. The proposal is proportionate and flexible, requesting disclosure and target-setting without prescribing a specific methodology or timeline. This allows management discretion while supporting improved transparency and accountability.

Outcome: The proposal was not supported by shareholders. We will continue to monitor the company's approach to climate strategy, including whether it establishes emissions reduction targets and enhances forward-looking disclosure. Supporting this proposal reflects our expectation that companies facing material climate risks articulate credible transition plans to support long-term resilience.

VOTE AGAINST SHAREHOLDER PROPOSAL

TO OPPOSE ENTERPRISE WIDE GHG REDUCTION TARGETS ALIGNED WITH THE PARIS AGREEMENT

Company: Global Footwear and Apparel Retailer

Sector: Consumer Discretionary (Textiles, Apparel & Luxury Goods)

Region: Global

Context: A shareholder proposal requested that the company adopt enterprise-wide GHG emissions reduction targets aligned with the Paris Agreement.

Issue: Environmental (climate strategy, GHG emissions targets and alignment).

Voting Decision: AGAINST

Rationale: We did not support the proposal as it does not provide clear incremental shareholder benefit relative to the company's current disclosures and risk profile. Operational emissions are not identified as a primary financially material risk for this sector, with greater risk exposure typically arising from supply chain and sourcing practices. The company already provides comprehensive disclosure, including Scope 1, 2 and 3 emissions and reporting aligned with recognised frameworks, enabling investors to assess climate-related risks. We also considered the company's ongoing strategic transition, which is expected to reshape its emissions profile; mandating targets at this stage could reduce management flexibility. Taken together, we concluded that the proposal does not sufficiently demonstrate that additional target-setting requirements would enhance long-term value.

Outcome: The proposal was not supported by shareholders. We will continue to monitor the company's climate strategy and disclosures and reassess our position if evidence of weaker risk management or disclosure emerges.

VOTE FOR SHAREHOLDER PROPOSAL

TO SUPPORT HUMAN RIGHTS IMPACT ASSESSMENT OF AI DRIVEN TARGETED ADVERTISING

Company: Global Technology Company

Sector: Information Technology
Region: Global

Context: A shareholder proposal requested that the company commission and publish an independent human rights impact assessment of its AI-driven targeted advertising practices.

Issue: Social and governance (human rights, including privacy, non-discrimination, freedom of expression, and alignment with the UN Guiding Principles on Business and Human Rights).

Voting Decision: FOR

Rationale: We supported the proposal given the materiality of human rights risks associated with the company's core business model, where AI-driven advertising represents a significant share of revenue. These activities expose the company to evolving regulatory and reputational risks, including under frameworks such as the Digital Services Act and the EU Artificial Intelligence Act. While the company has established human rights policies and made commitments to integrate due diligence into AI development, disclosure does not provide sufficient transparency on how risks are identified and managed in practice, particularly in relation to newly launched AI-enabled advertising features. An independent assessment would provide decision-useful insight into the identification, mitigation and governance of human rights risks, strengthening accountability and investor understanding. The proposal is proportionate and non-prescriptive, seeking enhanced transparency without constraining business operations.

Outcome: The proposal received meaningful shareholder support but was ultimately not approved. We will continue to monitor the company's approach to human rights risk management and disclosure, including whether independent assessment or equivalent enhanced reporting is undertaken following the vote.

VOTE AGAINST SHAREHOLDER PROPOSAL

TO OPPOSE REPORT ON HUMAN RIGHTS IMPACT ASSESSMENTS

Company: Global Aerospace and Defense Contractor

Sector: Industrials (Aerospace & Defense)

Region: Global

Context: A shareholder proposal requested that the company publish a report detailing human rights impact assessments related to high-risk products and services, including those used in conflict-affected areas.

Issue: Social and governance (human rights, including civilian protection, export controls and board oversight).

Voting Decision: AGAINST

Rationale: We did not support the proposal as it does not provide clear incremental shareholder benefit relative to the company's existing governance, disclosure and regulatory framework. The company already maintains a comprehensive human rights policy, provides disclosure on governance processes and has board-level oversight of human rights risks. In addition, its activities operate within a highly regulated framework, including U.S. government export controls and end-use monitoring, which embed human rights considerations into core operations. We also considered that the requested report could duplicate existing disclosures and government-led assessments, while raising potential concerns around the disclosure of sensitive or classified information. Taken together, the proposal did not sufficiently demonstrate that additional reporting would enhance oversight or address a material gap in risk management.

Outcome: The proposal was not supported by shareholders. We will continue to monitor the company's human rights disclosures and governance practices and will reassess our position if regulatory expectations, risk exposure or disclosure quality materially change.

REAL ESTATE SECURITIES

Our real estate securities investment team invests in the securities of listed real estate companies and real estate investment trusts (REITs) and is part of our Real Estate investment group. Real estate securities represent 0.3% of PGIM's total assets under management.

Proxy voting

Proxy voting is an important tool for our real estate securities team and a key aspect of stewardship. Proxies are voted in accordance with the real estate securities proxy voting policy and the merits of individual proposals. The team uses third-party providers for consolidated views of the resolutions, synthesis of companies' proxy voting statements, and analysis of the proposals, as well as for the recording and delivery of votes. However, like all our equities teams, our real estate securities team does not outsource judgments to third party providers.

The following summary outlines our voting record from 1 January to 31 December 2025.

Real Estate Securities

Total Proposals
1,651

Management	Shareholder
1,644 99.6%	7 0.4%

	Supported	Opposed	Abst/Other
Management	1,558 95%	31 2%	57 3%
Shareholder	4 57%	2 29%	1 14%

REAL ESTATE

REAL ESTATE

Managing Investment Risks and Opportunities

In real estate, we integrate material sustainability factors into investment decision-making through 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.

Enhancing resilience - building the capacity of assets to withstand catastrophic weather events such as flooding and wildfire and aligning with regulatory environment 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.

Our regionally tailored, materiality-driven approach informs investment analysis, asset management and stewardship across the property life cycle. [27] The following case studies demonstrate this approach in practice. [28]

U.S. REAL ESTATE – FINANCIAL MATERIALITY ASSESSMENT

Background: We commissioned a third-party facilitator to complete a sustainability materiality assessment for the real estate equity and debt businesses in the U.S. (2024/25), following materiality assessments previously completed in Europe (2022/23) and Asia Pacific (2023/24). The materiality assessment considered local regulatory requirements, market conditions and stakeholder priorities to identify, evaluate and prioritise environmental and social factors. The U.S. assessment took a double-materiality approach, evaluating both the sustainability factors that affect the business and the ways the business affects its major stakeholders. We value the double-materiality perspective as an important tool for the early identification of issues that could develop into financially material risks and opportunities in future.

The materiality assessment focused on identifying sustainability factors most material to our U.S. real estate equity and debt businesses, while ensuring consistency with the assessments previously completed in Europe and Asia Pacific and informing a refresh of our global real estate sustainability strategy and the KPIs embedded in our investment analysis.

Outcome: The third-party facilitator analysed the regulatory landscape, peer commitments and stakeholder perspectives; interviewed and conducted workshops with a broad range of stakeholders, including investors, employees and, indirectly, tenants and customers; and compiled, ranked and visualised the results in a materiality map. We designated topics as most material where they had high influence on stakeholder assessment and decisions, high relevance to regulations and market expectations, and high ability for the business to influence or cause impact on others. Beyond providing key inputs to risk and opportunity analysis across the investment lifecycle, the most material topics have informed a refresh of our U.S. and global real estate approach to sustainability.

- Energy efficiency/carbon emissions and climate risk and resilience, were identified as material in the U.S. and worldwide, forming two core focus areas: reducing carbon and enhancing resilience.

[27] The term "materiality" in this context refers to PGIM's real estate group's process for identifying and evaluating sustainability factors that significantly influence its investment and stakeholder decisions. This usage aligns with the Global Reporting Initiative (GRI) methodology and is not intended to reflect the definition of materiality as established by the U.S. Securities and Exchange Commission.
[28] See PGIM's POLICY & CONTEXT Report (REAL ESTATE, MANAGING INVESTMENT RISKS AND OPPORTUNITIES) for more detail on the integration process for real estate strategies.

- Tenant and borrower satisfaction was also material, particularly in the U.S. and underpins a third focus area: building value.
- Governance, risk management, transparency and disclosure (including green building certifications) were repeatedly identified as material worldwide and, alongside data management and intelligence, have formed foundations to our global strategy.

We integrate KPIs focused on reducing carbon, enhancing resilience and building value explicitly and systematically into our investment analysis and investment decisions to help lower investment risk and pursue attractive returns.

ASIA PACIFIC REAL ESTATE - TRANSLATING MATERIALITY INTO INVESTMENT DECISIONS

Background: Following the sustainability materiality assessment in Asia Pacific (2023/24), we re-evaluated the regional investment processes to translate the identified material sustainability factors into investment metrics and KPIs. In view of the diverse regulations, market practices and climate conditions across Asia Pacific, we conducted the re-evaluation on a country-by-country basis, covering Singapore, Japan and Australia.

The re-evaluation focused on translating the regional materiality findings into investment metrics and KPIs, equipping our Asia Pacific transaction teams with structured tools to identify, assess and mitigate material risks at acquisition, and embedding this materiality-led approach into investment committee decision-making and ongoing asset management.

Outcome: As a result of this re-evaluation, we:

- Identified up to seven investment-critical sustainability factors, covering property-level risks and opportunities specific to regulation, energy ratings and performance, location-specific material physical climate risks, and country-level sustainability attributes such as green-building certifications.
- Defined risk classifications for location-specific physical climate risks (flood, landslide and wildfire, including an allowance for further changes in climate), natural hazards (earthquakes, volcanoes and tsunamis) and pollution.
- For each investment-critical factor, developed either a decision tree (e.g. regulation-driven risks) or a screening guide (e.g. climate-related risks) to help our transaction teams identify material risks, assess potential impacts and inform mitigation measures.
- Updated the sustainability insert in our investment committee papers to include a clear priority status for each investment-critical factor: green - no current issues, amber - important issues or actions, and red - critical issues or actions. The capex cost of mitigation works is presented for amber or red factors up to 10 years for due-diligence findings, five years for climate-adaptation measures and three years for SFDR principal-adverse-impact improvements.
- Embedded an updated sustainability scorecard into the sustainability insert linked to the building's measured sustainability performance or management approach over a defined period. The scorecard offers a standardised holistic view of asset performance on broader sustainability factors and triggers recommendations for any "below average" scores. We evaluate targeted improvements, from operational adjustments to capital-expenditure upgrades, for their return on investment and potential to reduce operational expenses such as energy costs during ownership.
- Issued an updated scope of works and clear output requirements, including the new risk classifications, to our existing technical due-diligence consultancies across Asia Pacific. Through this process, we qualified two of the five existing consultants against our minimum standards and appointed them under Master Service Agreements.

We piloted the new investment committee insert in 2025 and delivered training to the Asia Pacific ExCo, transaction teams, portfolio managers and asset managers on a country-by-country basis in July 2025. We continue to collect feedback from the pilot and subsequent deals and have made minor adjustments to the scope of works and process. In 2026, we will formalise the materiality-led due-diligence approach in our Asia Pacific Standard Operating Procedures and roll it out as business-as-usual.

GLOBAL REAL ESTATE – TRANSLATING MATERIALITY INTO ACTIVE ASSET MANAGEMENT

Background: As the second phase of our global Deepki rollout, we activated the Investment Plan module of the platform. We use the module to translate material sustainability risks and opportunities identified at the asset level into tangible, actionable interventions, such as energy- and water-efficiency measures and physical adaptation measures, over a multi-year horizon. We track the energy and carbon impacts of each plan against CRREM[29] forward-looking decarbonisation targets to manage transition risk. The activation of the Investment Plan module served to translate material sustainability findings into asset-level, multi-year intervention plans, align interventions with the sustainability and return objectives of each fund, and create a consistent global baseline for tracking sustainability performance improvements over time.

Outcome: As a result of the rollout, we delivered the following:

- Developed each asset-by-asset investment plan in line with the sustainability and return objectives of the relevant fund, drawing on acquisition due diligence, portfolio reviews, energy and climate-risk audits, in-use green-building certification action plans, GRESB trackers where appropriate, and property strategic plans.
- Given the significant volume of U.S. assets, we adopted a phased approach across the region, prioritising assets exposed to high-risk climate factors (flooding, wildfire and storms) and those subject to building-performance standards or energy ordinances.
- Increased coverage of the detailed investment plans on an asset-by-asset basis for the European and Asia Pacific funds, and for prioritised assets in the U.S. PRISA series (I, II and III). The plans show regional variation in how they interact with asset- and portfolio-level budget-planning cycles.

Our asset managers engage on the plans quarterly, tracking intervention measures and updating the plans accordingly. Together, the asset-level investment plans give us a baseline of sustainability-performance improvements and a live view of implementation status across each fund.

DIVERSIFIED REAL ESTATE CORE – MANCHESTER FORT, UK

Background: In July 2025, our European core fund closed on the acquisition of a retail warehouse park in Manchester, UK. During acquisition, our due diligence identified two material issues: a potential exposure to the 2030 Minimum Energy Efficiency Standards (EPC rating B) and incomplete pollution documentation.

Outcome: The integration of material sustainability factors resulted in the following:

- Reducing carbon: we identified the installation of low- or zero-carbon technologies as the route to improving the EPC rating to B, supporting EU Taxonomy alignment (substantial contribution to climate mitigation) and delaying the CRREM misalignment year.
- Enhancing resilience and building value: we made provision to undertake a BREEAM In-Use gap analysis (Parts 1 and 2) and develop roadmaps to achieve a Very Good rating. The roadmap provides a framework to drive sustainability improvements beyond climate mitigation during ownership, while the green-building certification aligns with the fund's Article 8 SFDR commitments to promote energy efficiency and decarbonisation.

We estimated CapEx for the property-services upgrade and additional pollution data collection, budgeted it into the investment analysis and secured approval from the European Investment Committee.

DIVERSIFIED REAL ESTATE CORE PLUS – ISOLA RIZZA, ITALY

Background: In February 2025, our European core-plus fund committed to the forward purchase of a 50,468m² logistics warehouse in Isola Rizza, south of Verona, Italy. The development complies with local Nearly Zero Energy Buildings (NZEB) requirements, including on-site renewables, and targets EPC grade A4

[29] 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.

(the highest available in Italy) and a LEED Gold rating (BD+C v4.1). During acquisition, our due diligence identified design enhancements across the warehouse.

Outcome: The integration of material sustainability factors resulted in the following:

- Reducing carbon: we negotiated as part of the sale and purchase agreement (SPA) a requirement for a primary energy demand 10% below the NZEB standard, maximising operational efficiency.
- Enhancing resilience: to future proof the asset against evolving regulatory requirements and to position the asset for exit, we extended the LEED Gold requirement through the SPA to include specified prerequisite credits within the certification, covering life-cycle emissions calculation and quality assurance of the building fabric. These credits enable the warehouse to target EU Taxonomy alignment (substantial contribution to climate-change mitigation) in ownership and align with the fund's Article 8 SFDR commitments to promote energy efficiency and decarbonisation.

We estimated CapEx for the solar photovoltaic (PV) provision (once the building is leased), budgeted it into the investment analysis and secured approval from the European Investment Committee.

The warehouse achieved LEED Gold certification, including the prerequisite credits, and we successfully closed the acquisition in January 2026.

DIVERSIFIED REAL ESTATE VALUE ADD – MARKGRAFENPARK, GERMANY

Background: In August 2025, our closed European value-add fund (III series) closed on the acquisition of a second investment in our Cosy strategy – a repositioning project in Frankfurt. Through the Cosy strategy, we acquire obsolete commercial assets in Germany's top five cities and reposition them as micro-living residential and purpose-built student accommodation (PBSA). During acquisition, our due diligence identified design enhancements across the PBSA scheme.

Outcome: The integration of material sustainability factors resulted in the following:

- Reducing carbon: adopting a fabric-first approach, we proposed to improve energy performance through facade insulation, new windows and controlled ventilation. Our optimised strategy targets the 'Effizienzhaus 70' standard and an improved EPC rating of B, delivering a balanced, cost-effective upgrade that maximises both efficiency and available incentives.
- Enhancing resilience: we are targeting DGNB Gold and EU Taxonomy alignment (substantial contribution to climate-change mitigation) to strengthen the building's marketability to operators and at exit, and to provide transparency on sustainable building standards and practice. This is equivalent to the 'Better' pathway in our European sustainable construction framework.

We estimated CapEx for the building-fabric and property-services upgrade, budgeted it into the investment analysis and secured approval from the European Investment Committee.

As demonstrated in these three case studies, by underwriting CapEx at the point of acquisition, our comprehensive due-diligence approach helps future-proof assets against climate and transition risk and positions our funds for relative outperformance versus benchmark.

Sustainability across the investment lifecycle

Acquisition → Active Asset Management → Development/ Refurbishment → Tenant Engagement → Exit

REAL ESTATE ACQUISITION - SINGAPORE

Background: In December 2025, our closed value-add fund for Asia Pacific (V series) acquired a 30,085m² logistics warehouse in an established industrial area of Singapore, with a strategy to reposition the asset as a five-storey, ramp-up logistics warehouse (103,222m²). We completed the acquisition in a joint venture with a development partner and with the benefit of a pre-let for a substantial share of the warehouse. The development is designed to achieve Green Mark Platinum, the highest rating under the local green-building certification scheme. During acquisition, our due diligence identified design enhancements across the warehouse.

Outcome: The integration of material sustainability factors delivered the following:

- Reducing carbon: to ensure the repositioned warehouse achieves a high level of operational efficiency and delivers the 55% improvement in energy performance over 2005 building-code levels required for Green Mark Platinum, we defined an energy-use intensity (EUI) of 45 kWh/m²/yr at the design stage.
- Enhancing resilience: to position the asset well for exit, we extended the Green Mark Platinum requirement to include prerequisite credits. These credits require a 2030 transition plan to be defined and enabled, and technology and systems to be incorporated to support future energy-management practices such as optimisation. The credit requirements align with the fund's Article 8 SFDR commitments to promote energy efficiency and decarbonisation.

We estimated CapEx for designing the asset to be highly energy-efficient and sustainable as a 4.4% uplift to construction costs, budgeted it into the investment analysis and secured approval from the Asia Pacific Investment Committee.

REAL ESTATE ACTIVE ASSET MANAGEMENT - MEXICO

Background: We track and monitor sustainability data, including energy consumption, for our closed value-add funds for Mexico (IV and V series) on Deepki. An industrial facility in Ciudad Juárez, Chihuahua, was a strong candidate for rooftop solar PV as annual tenant energy needs broadly matched Mexico's permit-exemption capacity for electricity generation (700 kW). Additionally rooftop PV would reduce carbon emissions, enhance resilience by securing energy supply in an increasingly constrained market, and build value by strengthening tenant demand as energy prices rise.

Outcome: The project delivered the following:

- Reducing carbon: based on EPA-standard conversion metrics, we expect the project to mitigate approximately 517 metric tonnes of carbon emissions annually.
- Enhancing resilience: we designed the PV system to a 650 kW inverter installed capacity, equivalent to approximately 807 kWp of power capacity and secures 99% of the tenant's power requirements.
- Building value: the system is implemented through a Power Purchase Agreement between the Trust (landlord) and tenant. The Trust funds the PV installation and provides electricity to the tenant below the prevailing Federal Electricity Commission (CFE) rate, generating direct cost savings for the tenant. We will commission the PV system in 2026 and have aligned it with a lease extension through July 2030.
- Based on projected energy revenues under the PPA, we expect the system to achieve a payback period of approximately five years, an average annual yield of around 20% upon stabilisation and an internal rate of return of approximately 25% over a 10-year horizon.

REAL ESTATE REDEVELOPMENT - FRANCE

Background: In 2022, our closed value-add strategy for Europe (II series) acquired a land plot in Avrigny, on the logistics backbone in the Northern Greater Paris area, for the development of three logistics platforms totaling approximately 110,000m², which could be built and leased separately. We assessed the project design against our proprietary UK/European Sustainable Construction Framework to confirm the capital expenditure required to achieve each of the framework's three ambition levels. The framework sets sustainability objectives and targets across "Baseline", "Better" and "Best" pathways, ensuring that the integration of sustainability is proportionate to the development and optimises returns.

Outcome: The delivered outcomes included:

- Reducing carbon and enhancing resilience: we targeted the development to the "Better" pathway of our framework, aligning the design with a high level of operational efficiency and the EU Taxonomy criteria (Activity 7.1 – Construction of New Buildings), with the development targeted to be classified as "environmentally sustainable" for climate mitigation.
- We submitted the design-stage assessments for all three buildings for interim BREEAM certification (assessed at Excellent).

All administrative authorisations have been granted, and we will continue the developments in 2026 once pre-lets are secured.

Sustainability Solutions for Clients [30]

The case studies below demonstrate how clients' sustainability and stewardship priorities have been embedded into fund design and investment decision-making and translated into measurable asset-level actions over the ownership period.

REAL ESTATE VALUE-ADD - ITALY - PROMOTING BIODIVERSITY

Background: We established a sidecar investment vehicle alongside our European Value Add real estate equity strategy to enable additional capital deployment into an Italian open-air hospitality strategy. We structured the sidecar as an Alternative Investment Fund (AIF) marketed to European investors, requiring full compliance with SFDR. The value-add strategy focuses on the repositioning and professional management of assets. During the investment assessment phase we identified a clear opportunity to promote biodiversity across the portfolio, recognising that high-quality natural surroundings are intrinsic to guest experience and value creation in open-air hospitality assets.

Outcome: The sidecar has been successfully raised as a SFDR Article 8 fund, with promotion of biodiversity as the binding criteria of the investment strategy. We conduct a biodiversity assessment at each asset on acquisition to establish a baseline biodiversity value. The survey evaluates site-specific nature sensitivities and any potentially harmful activities, both on-site and within the wider zone of influence. The results inform asset-level nature-positive actions and associated capital-expenditure plans alongside the development of the biodiversity metric against which we can measure progress over time. We also implement nature-positive initiatives across the portfolio focused on three high-impact areas: (i) design parameters that prioritise biodiversity; (ii) nature-positive operational and land-use management; and (iii) building knowledge and awareness.

The actions are guided by the EU Sustainability Reporting Standards (ESRS) E4 Biodiversity and Ecosystems mitigation hierarchy and embedded throughout the ownership period. We will monitor and report progress annually in line with the SFDR requirements, and undertake a follow-up biodiversity assessment prior to exit to evaluate the effectiveness of the measures implemented.

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[30] See PGIM's POLICY & CONTEXT Report (REAL ESTATE, SUSTAINABILITY SOLUTIONS FOR CLIENTS) for more detail on the sustainability solutions for clients in real estate strategies.

The promotion of biodiversity is material to the investment strategy, reflecting the direct link between natural-capital enhancement, asset quality and long-term investment performance in the open-air hospitality sector.

HIGH YIELD REAL ESTATE DEBT – AUSTRALIA – A SUSTAINABILITY LINKED FEE REBATE

Background: To secure a large capital commitment from a European investor, we proposed developing a sustainability-linked fee-rebate assessment framework for the receiving high-yield debt fund. The investor required the framework to fully integrate sustainability into the loan allocation process while maintaining the fund's existing investment strategy and "business as usual" operations. The framework also needed to be built around 1–5 material quantifiable KPIs that could be measured, monitored annually for reporting and verified at end of fund life to validate sustainability integration.

Outcome: We co-developed the framework with the investor as follows:

- Agreed three sustainability KPIs: (i) carbon reduction and energy-performance improvements using internationally recognised green-building certifications under the design and construction scheme as a proxy; (ii) exposure to energy and carbon transition risks assessed against the relevant CRREM decarbonisation pathway (amended to the Australian Government NGA emissions projections); and (iii) implementation of responsible lending practices, validated through participation and performance in the GRESB Lender Assessment.
- Confirmed that the KPIs and thresholds either align with our global sustainability policy, processes already adopted by the real estate debt platform and local market building regulations or are limited to administrative items specific to disclosure and reporting. No conflicts of interest were identified.
- The side letter detailing the agreed sustainability-linked fee-rebate assessment was approved for the fund, securing the capital allocation.

In 2025, the fund's first year of capital deployment, we assessed all debt transactions against the green-building certification proxy and CRREM KPIs, and engaged borrowers and sponsors as required. For construction loans allocated to land plots and development assets, which are not immediately suitable for green-building certification and CRREM analysis respectively, we may set requirements into the borrower's loan agreement or business plan.

We have been actively involved in the GRESB Lender Assessment Roundtable from inception, and submitted our debt fund to the GRESB Lender Assessment pilot in 2025 as the final KPI requirement. The fund achieved a five-star rating and high peer-group performance.

The fund is currently tracking at "base level" of the sustainability-linked fee-rebate assessment.

AGRICULTURAL EQUITY – US – ENHANCING SUSTAINABLE PRODUCTION

Background: In Q3 2020, our U.S. agricultural fund acquired a 517 gross acre (432 planted acre) pistachio property in Yolo County, California, with a strategy to allow the 2015/16 planted trees to mature through the hold period, reaching full maturity in 2024/25. During acquisition due diligence, we identified portions of the planted acreage with sub-standard soil quality, including nutrient deficiencies and elevated boron and magnesium. Improving the soil nutrient profile and overall soil health became a key objective to support long-term, sustainable production and enhance future agricultural land value.

Outcome: Since onboarding the asset, our agriculture asset and farm management team has implemented a set of practices across the 432 planted acres to preserve and improve soil health:

- Used a customised cover-crop programme combining triticale, clover, legumes and mustard (brassica) to increase biomass, reduce erosion, improve soil structure and microbial diversity, rebalance nitrogen to appropriate levels for plant health, and suppress pathogens, nematodes and weeds.
- Applied compost and gypsum annually (using an on-site automated gypsum silo) to improve soil structure, strengthen tree rooting, increase water infiltration and drainage, and support nutrient balance.
- Reintegrated on-farm materials and almond hulls (as a pilot) to increase potassium, soil organic carbon and microbial activity, and to improve infiltration, water retention and soil respiration.

Higher soil organic carbon is a key indicator of improved soil health and productivity, supporting greater water retention, nutrient availability, soil biology and soil structure. Third-party soil analysis has shown year-over-year improvements in soil organic carbon over the hold period and a cumulative increase of more than 20%. These findings validate the practices implemented by our asset and farm management team and support our continuing the programme and related pilot initiatives.

Year	Soil Organic Carbon (tons/hectare)	Soil Organic Carbon (tons CO2e)	% Change in Carbon
2020	50.5	33,018	
2021	55.0	35,972	9%
2022	56.1	36,634	2%
2023	61.8	40,361	10%
2024	63.1	41,263	2%

Active Stewardship [31]

In real estate, we deliver stewardship through active asset management and stakeholder engagement, including borrowers, tenants, partners and service providers. The following case studies demonstrate this approach in practice.

Engaging with investors

REAL ESTATE DEBT – U.S – OUR RESPONSE TO CLIMATE RELATED CHALLENGES

This example demonstrates how we have strengthened investor engagement by enabling timely, transparent and evidence-based communication during a significant climate-related event. The approach also supports ongoing investor reporting by providing a scalable framework for future significant events, helping investors understand both immediate impacts and the resilience measures being taken to protect long-term asset value.

Background: During the January 2025 California wildfires, which destroyed or damaged more than 16,000 structures, our real estate debt platform moved quickly to launch a holistic ongoing assessment of building damage and operational disruption across the affected portfolio. This gave us real-time insight into borrower impact and collateral risk and enabled us to respond decisively to investor queries as events unfolded. We have factored climate risk into our debt pricing since 2021 and believe that building resilience to climate-related challenges, such as flooding and heat stress, through targeted adaptation measures maintains the usability of our assets and protects their long-term value.

We launched the response to: (i) assess wildfire damage and operational disruption across the affected portfolio in real time; (ii) equip the team with a single, integrated view of impacted assets to provide borrower guidance and inform investor reporting; and (iii) build a scalable data toolset that could be extended to future significant climate events.

Outcome: As a result of our response, we delivered the following:

- Real-time damage mapping: used ArcGIS Online to track and assess wildfire damage. Our systems team applied layers to the online map, including wildfire exclusion zones, and filtered down to the location of financed assets, identifying impacted assets quickly within a single, integrated view.
- Investor reporting dashboard: used Power BI to translate the map output into a 'significant events' dashboard for reporting.
- Targeted borrower guidance: issued guidance for affected assets, drawing on data and insights collected during due diligence to review building design and effective mitigation strategies.
- Extended coverage: we have since expanded the 'significant events' dashboard to cover further events as they occur, including major tornado, storm and flood events across the debt portfolio.

By monitoring impacted assets and offering targeted guidance, we help borrowers protect against ongoing and future losses and reduce operational disruption and we strengthen investor engagement. We can develop and customise these data tools rapidly to meet the needs of the business, prioritising the resilience and health of our assets in our investors' interests.

Engaging with borrowers

REAL ESTATE DEBT – UK – DELIVERING EU TAXONOMY ALIGNMENT

In a real estate debt context, stewardship is often expressed through terms, funding conditions and monitoring. This example shows how proactive engagement with the borrower and the effective use of 'lender levers', such as additional requirements and conditions ahead of releasing funding, can effectively support the pursuit of sustainable outcomes.

[31] See PGIM's POLICY & CONTEXT Report (REAL ESTATE, ACTIVE STEWARDSHIP) for more detail on our approach to active stewardship for real estate strategies.

Background: To validate whether the new series of a high-yield real estate debt fund could adopt a target for EU Taxonomy alignment, we completed a gap analysis on a closed loan to compare current standards against strict EU Taxonomy compliance. The loan selected was a single £230 million facility - a sizeable position for the fund - secured for a speculative 1.3 million sq ft logistics development. The borrower had a high commitment to sustainability and engaged positively during loan orientation. A commitment to EU Taxonomy alignment offers significant, dual-layered benefits for real estate debt — acting as a strategic tool for both portfolio-level positioning and asset-level performance.

The gap analysis assessed the feasibility of an EU Taxonomy alignment target for the new fund series, identified performance shortfalls relative to the technical criteria for substantial contribution to climate mitigation, and informed a fund-level binding commitment that could be embedded into future loan-orientation processes.

Outcome: We conducted a comprehensive proactive review of loan sustainability documents with the borrower and its sustainability consultant, applying a gap analysis against the "Better" pathway of our UK/European Sustainable Construction Framework. The “Better” pathway is specific to the EU Taxonomy alignment (Activity 7.1 – Construction of New Buildings) and maps the technical criteria for substantial contribution to climate mitigation into project-specific deliverables.

- We found the development very close to EU Taxonomy alignment despite not having targeted it from the outset, reflecting the borrower's high-quality sustainable construction practices.
- The predominantly “amber” classification of shortfalls indicated meaningful progress against the requirements, even where the strict criteria were not fully met. This is reassuring for future projects, where performance criteria can be integrated into construction planning and data collection from the outset.
- The new series of the high-yield real estate debt fund, classified as SFDR Article 8, has committed to a minimum 5% aggregate EU Taxonomy alignment as part of its binding criteria.

We re-engaged the borrower and its sustainability consultant during the orientation of a dual-phase £163.1 million loan for the new series of the debt fund to (i) acquire a 55-acre brownfield site and (ii) finance a speculative 1.2 million sq ft logistics development. We completed a gap analysis of the proposed base specification against the “Better” pathway and shared the identified gaps as additional requirements to the loan before unlocking the development funding. The loan will go forward for Investment Committee approval in 2026.

Engaging with tenants

REAL ESTATE EQUITY – AUSTRALIA – BUILDING VALUE

For real estate equity investments, tenants are core stakeholders. This example demonstrates how direct engagement with a tenant translated into active asset management and a direct improvement to tenant outcomes and asset resilience. It also demonstrates how we use contractual and ownership levers (e.g. funding CapEx and structuring a PPA) to implement an intervention that delivers mutual benefits through tangible actions.

Background: A tenant of our cold-storage warehouse in Yennora, New South Wales, initiated discussions with our property manager to reduce high electricity costs - an ongoing operating-expense concern. We track and monitor the asset's sustainability data, including energy consumption, on Deepki. Based on annual tenant energy needs, site conditions (shading, structural integrity) and solar-resource availability, we assessed the asset as highly viable for rooftop solar PV installation. The provision of rooftop PV would reduce carbon emissions, enhance resilience by securing energy supply in an increasingly constrained market and build value by improving tenant satisfaction as energy prices rise.

Outcome: We designed the PV system to an 878 kW inverter installed capacity, equivalent to approximately 1.2 GWh of annual power generation and around 75% of the tenant's power requirements. The system was implemented through a PPA between the landlord and tenant: the landlord funded the PV installation and provides solar electricity to the tenant significantly below the prevailing Australian Energy Regulator default market rate, generating direct cost savings for the tenant.

Reducing carbon: based on the 2025 Australian National Greenhouse Accounts (NGA) Factors for New South Wales, we expect the project to mitigate approximately 770 metric tonnes of carbon emissions annually.

Commissioning and expansion: we commissioned the PV system in September 2025 and have extended the project to include a smaller PV system on the adjacent tenant warehouse.

Financial performance: based on projected energy revenues under the PPA structure, we expect the system to achieve a payback period of approximately six years and an indicative yield on cost of around 16.6%.

Engaging with property partners

REAL ESTATE EQUITY - A GLOBAL SURVEY OF OUR ASSETS

Background: Every third year, we issue a global survey to our property managers to gather asset-level data on building performance across our real estate equity portfolio. For the 2025 cycle, we issued surveys to 688 property managers globally and received 655 completed responses — a 93% response rate that reflects the strength of relationships and the effectiveness of our engagement approach. The structured survey covered energy efficiency, building systems, water and waste practices, indoor air quality (IAQ) optimisation and EV charging readiness.

We use the periodic property-manager survey to maintain a current, asset-level view of operational building performance across the global portfolio, identify assets that warrant targeted audits or capital interventions, and inform regional priorities for capital deployment, particularly where regulatory or building-performance standards are tightening.

Outcomes: The 2025 survey delivered the following findings:

- Energy efficiency: we saw strong LED adoption, but lighting-sensor and control usage remains inconsistent across assets. Building-envelope measures vary, with most assets relying on basic double-glazing and limited adoption of higher-performance features. Full insulation was reported in nearly half of assets. Energy, water and waste audit completion rates remain comparatively low (14–34%).
- Renewable energy: on-site renewable energy generation remains low (6% of assets), with PV solar and geothermal systems reported in the EU and US. Off-site renewable energy procurement is similarly limited (6%).
- Water and waste: over half of assets report a water-efficiency strategy and around three-quarters report a waste strategy with recycling the most common measure. Audit completion for water and waste remains comparatively low.
- IAQ: we identified a significant gap in IAQ monitoring and optimisation with only 1% of assets reporting active monitoring.
- EV charging: around one-third of assets have on-site EV charging infrastructure.
- Building management systems (BMS): BMS adoption varies significantly. 53% of assets report having a system.

There is clear opportunity across the real estate equity portfolio to continue targeting operational building-performance improvements with a clear asset-level return on investment. We commission detailed energy, water and waste audits each year for assets that benchmark poorly on Deepki or where we identify a risk against existing or incoming building-performance standards or energy ordinances. The rollout of EV charging and BMS remains a central focus in Europe, where regulatory requirements continue to strengthen and electric trucks now outperform diesel on total cost of ownership.

Engaging with service providers

REAL ESTATE DEBT – U.S. ENGAGING ACROSS THE INDUSTRY

Background: Our real estate group relies on a range of external environmental, engineering and technical service providers to support our activities across the real estate investment lifecycle. These providers inform key investment and asset-management decisions, including environmental due diligence, physical climate risk assessment, building resilience and insurance risk management.

Our real estate group convenes a biennial Real Estate Environmental & Engineering Conference, designed to strengthen our technical risk management strategies by engagement with key external service providers. The last two-day invitation-only forum conference covered 2024/25 period and brought together investment professionals from across our real estate platforms alongside environmental consultants, engineers, agency partners and other technical advisors supporting the portfolio. The conference theme, Sustainability & Environmental Risk, aimed to provide a structured setting to review and challenge third-party practices in areas where we rely on external expertise. Sessions focused on:

- The Confluence of Sustainability and Real Estate Risk Management
- Challenges to Energy Audits
- The New ASTM Property Resilience Standard
- Overview of Solar and Wind Technologies
- The Next Stage of Indoor Air Quality Testing and Mitigation

Outcomes: The conference strengthened our ongoing oversight of environmental and engineering service providers by:

- Providing a forum for third-party services to share best practice and insights relating to how they assess climate risks.
- Reinforcing clear expectations for high-quality, investor-focused stewardship support
- Identifying opportunities for improvement, innovation and greater standardisation across providers.

By holding this conference, our real estate group was able to gain deeper insight into their service providers' methodologies, assumptions and outputs, and foster meaningful collaboration around the environmental, engineering and climate risk challenges facing commercial real estate today. The insights gained inform our continued engagement, review and monitoring of external service providers contribute to the broader understanding of key risks for this asset class.

GREEN BUILDING CERTIFICATIONS

Obtaining certifications from schemes, such as LEED, BREEAM, the Green Mark Certification Scheme and others, can enhance the marketability of a building to tenants and on exit, and provide transparency to sustainable building standards and practices.

In 2024[32], our **real estate equity** investments achieved numerous building ratings and/or certifications, a selection of which is highlighted below:

Selected Certification/Rating Scheme	Number of certifications 2024	Number of certifications 2023
Arc	0	506
BREEAM	156	84
CALGreen	40	34
Fitwel	94	48
Green Star	17	14
IREM	77	26
LEED	159	189
NGBS	36	30
EU EPC	184	202
ENERGY STAR Label	124	93
WiredScore	71	64
Others	80	69
All Certifications & Ratings[33]	1,038	1,359

Our real estate mortgage funds track the number of green building certifications and other certification types in their portfolios and strive to increase their data coverage as an important indicator of energy efficiency across portfolios.

Selected Certification/Rating Scheme	Number of certifications 2024	Number of certifications 2023
American Tree Farm Systems (ATFS)	2	1
Animal Welfare	2	2
BCA Gold	1	1
BCA Platinum	1	1
BREEAM	45	38

[32] A certified or rated green building has been independently verified. Participation in the green building certification or rating is voluntary and each property pays prevailing market fees to participate in green building certification and rating programs. Generally, PGIM's real estate group shares internationally recognised certifications such as: BREEAM®, DGNB, EDGE, Fitwel®, GBAC®, IREM®, LEED®, WiredScore.

[33] 'Certifications & Ratings Total' totaled over buildings count each building once. A single building may have multiple certifications/ratings.

California Certified Organic Farm (CCOF)	2	1
DGNB	14	11
Energy Star Certified	45	44
Florida's Best Management	3	2
Food Safety	8	8
Forest Stewardship Council (FSC)	27	25
LEED	108	96
Napa Green Winery	2	1
Organic	17	15
Other	69	65
Renewable Energy	-	12
Sustainability Sustainable Forestry Initiative (SFI)	23	23

2025 GRESB ASSESSMENT HIGHLIGHTS

Our real estate investment group has been a GRESB participant since July 2010 and has consistently submitted a high percentage of assets under management to GRESB annual assessment, while also obtaining an independent third-party verification on the underlying datasets. We continue to see improved results year on year.

In 2025, for the 2024 reporting year, PGIM submitted 20 funds with USD 61.7 billion in gross asset value and representing c.86% in global real estate equity AUM. Participating funds are required to submit asset level performance data of energy and water consumption, waste diversion, carbon emissions, building certifications, resilience strategies and risk assessments and other environmental data characteristics. Additionally, qualitative data on social and employee matters, human rights and anti-corruption protocols and governance characteristics are submitted to GRESB. The assessment results in a GRESB Score, a 1-to-5-star rating, and a benchmark report, which compares the fund's market position to a peer group based on sector, geography, legal status and investment style. This allows the fund to identify strengths and potential opportunities for improvement through a GRESB tracker. The results are summarised below under Management and Performance and Management and Development components.

Management and performance

5-Star Funds	4-Star Funds
Asia Pacific Core (Sector leader, 1st Peer Group ranking)	Asia Pacific Separate Account—Japan
Asia Pacific Separate Account - Singapore Investment	Australia and Singapore Investments
European Core	UK Affordable Housing Fund (1st Peer Group ranking)
European Core/Core Plus—Austria Investment (Sector leader, 1st Peer Group ranking)	

European Core/Core Plus - Austria Investment Berlin Investment	
U.S. Core—New York Investment	

Management and development

5-Star Funds	4-Star Funds
U.S Value-Add Impact (1st Peer Group Ranking)	Asia Pacific Value-Add (1st Peer Group Ranking)

In 2025, we also submitted three **debt funds** to the pilot GRESB Lender Assessment. The results are summarised below:

5-Star Funds	4-Star Funds
Australian High-Yield Debt	U.S. Debt
European High-Yield Debt	

ENGAGEMENT WITH REGULATORS, POLICYMAKERS AND INDUSTRY GROUPS

04

ENGAGING WITH POLICY MAKERS AND REGULATORS

During 2025, we actively engaged with policymakers, regulators and industry bodies on sustainability matters that materially affect our clients, investment outcomes and the effective functioning of financial markets. Public policy engagement is an important component of our stewardship approach as it plays an important role in enhancing the quality, consistency and decision-usefulness of information that investors rely upon, supporting effective capital allocation and contributing to well-functioning financial markets. Participation in policy engagement activities was conducted within established governance, legal and compliance frameworks and consistent with our fiduciary duty.

EUROPEAN UNION SUSTAINABLE FINANCE DISCLOSURE REGULATION (SFDR 2.0)

Background: Our public policy engagement in 2025 included active and constructive dialogue with the European Commission, EU Member State representatives and industry bodies on the evolution of SFDR. We viewed SFDR review as a critical opportunity to contribute practical expertise to help strengthen this important framework and support a well-functioning market for investment products with sustainability features. Our overarching objective was to support regulatory reform that would enhance clarity and resilience while remaining operationally workable across asset classes and geographies. We advocated for:

- A clear product categorisation framework;
- Streamlined disclosures that reduce reporting burden while delivering decision-useful information for investors;
- Flexibility to build credible transition and other sustainability-focused strategies, including appropriate treatment of portfolio-level targets and avoidance of prescription and constraints that undermine both real-world sustainability and investor returns.

Throughout 2025, we developed a structured proposal for a new categorisation regime and shared our perspectives and technical suggestions with policymakers in Brussels and Paris, as well as members of trade associations including EFAMA and the UK Investment Association, thus contributing to their collective responses.

Outcome: Our engagement provided policymakers with market participant perspectives on the practical implementation of SFDR across asset classes. The European Commission's November 2025 legislative proposal reflected a number of themes that we and other industry participants had highlighted during the review process, including the importance of greater clarity, proportionality and operational feasibility.

THE UK STEWARDSHIP CODE 2026

Background: We actively contributed to the development of the UK Stewardship Code 2026 through engagement with the Financial Reporting Council (FRC) and industry peers, including through working groups coordinated by the UK Investment Association, IIGCC and ICGN. We also submitted a detailed response to the consultation, which can be viewed at: https://www.frc.org.uk/consultations/stewardship-code-consultation/

Outcome: We contributed market participant insight on the practical application of the Stewardship Code and opportunities to improve reporting effectiveness. The final Code and supporting Guidance addressed a number of issues that were widely raised by investors and industry bodies during the consultation process.

MARKET STANDARDS ON GREEN BOND CARBON ACCOUNTING

Background: We engage in market-wide initiatives aimed at improving the quality, consistency and decision-usefulness of sustainability data and methodologies relied upon by investors. One such area is the accounting of financed emissions, where methodological choices can have significant implications for transparency, comparability and capital allocation decisions. The Partnership for Carbon Accounting Financials (PCAF) play an influential role in shaping market practice for financed emissions reporting and proposed a new approach to green bond carbon accounting, which would treat green bonds as debt of a distinct "green" entity, separate from the rest of the issuer. This approach is based on a theoretical segregation of activities rather than legal or physical separation of funding or operations. In our view, this approach risked undermining PCAF's own objective of improving transparency and comparability in financed emissions reporting.

We engaged directly with PCAF to share our views that the proposal allows significant investor discretion over key assumptions, potentially resulting in materially different emissions being attributed to identical holdings, as well as the risk of double counting emissions reductions from green projects. We provided technical feedback that emphasised the importance of grounding financed emissions accounting in legal and economic realities rather than theoretical constructs reliant on subjective assumptions.[34] We also noted that the approach implicitly favoured green bonds over other financing instruments, without sufficient empirical evidence to justify such preferential treatment, and could increase reporting burdens in a way that disproportionately disadvantaged smaller issuers and distracted from more holistic sustainability reporting.

We advocated for a more issuer-centric approach focused on companies' overall climate impact and direction of travel, and proposed that temperature alignment analysis might provide a more decision-useful basis for evaluating climate performance across asset classes and financing instruments.

Outcome: Our engagement contributed investor perspectives to the development of the final standard and highlighted practical considerations relating to transparency, comparability and implementation. While the final methodology did not incorporate all of the issues we raised, the published standard reflected some of the areas discussed during the consultation process, including greater flexibility in the treatment of issuer-level accounting. The process demonstrates the importance of investor participation in the development of market standards that are intended to support consistent and decision-useful reporting. [35]

ENGAGING THROUGH INDUSTRY INITIATIVES

Throughout 2025, PGIM and its investment groups have been active members of the following industry groups and initiatives: PRI, CII, ICGN, IFRS Sustainability Alliance, IIGCC, TPI, SASB Standards, ULI Greenprint, CDP, EDCI, Center for Real Estate Finance Council (CREFC), Emerging Markets Investor Alliance (EMIA), European Leveraged Finance Association (ELFA), The Institutional Investors Group on Climate Change, Principles for

[34] https://www.pgim.com/fr/en/institutional/insights/asset-class/fixed-income/white-papers/red-flags-in-green-bond-carbon-accounting-proposal
[35] https://carbonaccountingfinancials.com/files/standard-launch-2025/PCAF-PartA-2025-V3-15012026.pdf

Responsible Investment (PRI), Partnership for Carbon Accounting Financials (PCAF), Partnership for Biodiversity Accounting Financials (PBAF), Access to Medicine Foundation (AMF), The FAIRR Initiative (FAIRR).

RESEARCH FUNDING PARTNER OF THE TRANSITION PATHWAY INITIATIVE (TPI)

Background: Since 2024, we have been a Research Funding Partner (RFP) of the Transition Pathway Initiative (TPI), providing financial and technical support to TPI's academically rigorous, open-access climate transition research, delivered through the London School of Economics' Grantham Research Institute, ensuring that it can continue to deliver high quality and independent analysis. TPI data supports investors globally in assessing how corporates, banks and sovereigns are managing climate-related risks and aligning with decarbonisation pathways.

As a member of the TPI Research Funding Partner Council, we actively contributed by:

- Providing regular feedback on TPI methodologies and research priorities from an investor perspective;
- Advocating for expanded Carbon Performance assessment coverage in high climate-impact sectors;
- Supporting deeper assessment of corporate alignment with country-level decarbonisation pathways, reflecting economy-wide transition dynamics.

Outcome: In 2025, as part of the Research Funding Partner Council (RFPC), we advocated for Carbon Performance assessment coverage increases in high climate impact sectors and provided feedback on methodology discussion papers. TPI has subsequently expanded its coverage and included new sectors such as chemicals in their assessments. We also advocated for deeper assessment of the alignment of corporates with country decarbonisation pathways, which TPI has subsequently consulted on publicly in the context of methodology updates.

By financing and actively shaping TPI's research programme, we contribute to the provision of open-access, peer-reviewed climate transition data, which can be used by asset owners, asset managers and other market participants around the world. High-quality, comparable transition data strengthens market transparency, supports effective stewardship activities, and enables more informed capital allocation decisions, contributing to better-functioning financial markets.

RESPONSIBLE INVESTMENT PRACTICES IN SECURITISED ASSETS

Background: As part of our work with the UN PRI, we collaborated as one of the core members of the Securitised Products Advisory Committee (SPAC) on the *Responsible Investment in Securitised Debt: A Technical Guide* publication. We participated in a series of working group sessions to provide insights for the report, reviewed drafts and offered feedback prior to publication.

Outcome: The publication was released in June 2025. It was the culmination of a 16-month effort to highlight state of play for how investors are integrating responsible investment practices in securitised assets. Following publication, we participated in a PRI webinar to help highlight the report, specifically discussing how we incorporate sustainable investment practices across our CMBS and RMBS investments.

This work continued into 2026. In the first quarter we participated in a PRI podcast related to the report.

CROSS ASSET CLASS DIALOGUE ON ACCESS TO MEDICINE

Background: Our credit and fundamental equities investment groups are both signatories to the Access to Medicine Foundation (AMF). While most pharmaceutical companies in the AMF Index publish patient reach data to demonstrate their access initiatives, we identified growing interest among both investors and pharmaceutical companies in strengthening how patient reach is measured and reported. This led us to propose a project to AMF focused on clarifying best practices and demonstrating that access strategies can be financially sustainable.

Outcome: Together with AMF we defined next steps and convened a small investor Steering Group to explore what 'good' patient reach reporting looks like. The group met several times in 2025, and engaged with six major issuers to understand current best practices, reporting challenges as well as financial considerations. Together with AMF, we then shaped the agenda for a closed-door roundtable held under the Chatham House Rule and hosted at our offices in New York. The event brought together over 40 attendees from 15 pharmaceutical companies and 15 investors.

The roundtable discussions focused on current methodologies, linking reporting to impact, and aligning patient reach metrics with financial indicators. Participants emphasised the need to embed patient reach metrics into strategy and reporting, improve transparency, and connect access outcomes to financial and commercial performance.

The feedback on the roundtable was highly positive, highlighting the need for continued dialogue, clearer investor expectations, and frameworks linking patient reach to long-term value. We view this as a multi-year initiative with annual roundtables planned for the future to continue advancing best practices and alignment between access to medicine and sustainable value creation.

BUILDING ASSET OWNER CAPABILITIES - PGIM EMEA ASCENT PROGRAMME

Background: Effective stewardship depends on informed, engaged asset owners — clients who understand sustainability trade-offs, financial materiality and their own role in setting clear investment mandates.

At our EMEA ASCENT Programme, we hosted an in-person workshop in London, convening nominated 'rising-star' professionals from institutional clients and prospects across the EMEA region. Senior members of our Sustainability team designed and delivered a dedicated responsible-investment session, focused on practical stewardship challenges: financial materiality, the respective roles of asset owners and asset managers, and the importance of clear mandates and active engagement.

Outcome: Through a structured Sustainability and Stewardship session, we engaged approximately 20 early-career institutional professionals nominated by their organisations to help develop the next generation of asset-owner leaders and strengthen stewardship capability across the investment ecosystem — a contribution we view as integral to our market-wide systemic-risk engagement.

DEVELOPING OUR PEOPLE AND OUR COMMUNITIES

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OUR PEOPLE

PGIM has a long-held commitment to culture and inclusion, because we believe sustainable outcomes are enabled by inclusive leadership, fair processes and a high-performance culture. This ensures inclusion is embedded into how the business operates, governed at senior levels, and aligned to long term client outcomes. Our Culture and Inclusion strategy is designed to create the conditions in which talent from differing backgrounds and experiences can thrive, contribute fully, and deliver strong outcomes for our clients, while ensuring our practices remain lawful, effective and aligned to the jurisdictions in which we operate.

Our Culture and Inclusion strategy is built on a 4-pillar framework: Culture, Talent, Client & Industry and Investing.

CULTURE

PGIM strives to enable a high-performing culture where employees feel understood, respected, and valued.

We believe in the power of inclusion to generate informed decision-making, encourage non-consensus views, and deliver the best outcomes for our clients. When our employees feel comfortable being themselves, offering new ideas and sharing their perspectives, this directly contributes to our ability to best serve our clients' needs.

We support this environment by providing our leaders with skills, training and experiential opportunities needed to practice inclusive leadership. In our offices in the Americas, Asia, and Europe, we build community and belonging by lifting and empowering voices of employees, and we inspire celebration of the wide range of backgrounds in our global network through affinity months and heritage month celebrations. An expansive PFI network of employee-led business resource groups, which are open to employees, increases visibility and fosters professional & personal growth, network expansion, and community impact.

Established in 2019, our Culture and Inclusion Council comprises senior leaders who play an active role in listening to our people, overseeing the global culture and inclusion strategy, evaluating the impact of our inclusion efforts, and continually adjusting and evolving our approach to meet employee, client, government, and regulatory expectations. Regional leadership teams, such as the Europe, Middle East, and Africa (EMEA) Culture and Inclusion Council, focus on regional priorities and initiatives. Additionally, we engage senior executives from across PGIM to act as inclusion champions, role-modelling inclusive behaviours and developing the next generation of leaders through coaching, mentoring, and sponsorship.

TALENT

Our work as a global asset manager relies on a skilled workforce with diverse perspectives and experiences. We aim to attract, develop, promote, and retain talent, at all levels, while fostering an inclusive culture that respects and values differing backgrounds, perspectives, and experiences. Hiring and retaining a best-in-class workforce is part of how PGIM fulfils its purpose to create value for its clients.

We conduct regular outreach to schools and universities and advertise roles and internships through our careers website and platforms such as LinkedIn. We also leverage partnerships with professional organisations to help us reach the best and brightest candidates. To broaden access to apply for our internships, we work with a variety of global and regional talent-sourcing organisations to find top talent to interview, including Girls Who Invest, BLK Capital Management, Inclusion in Finance and GAIN UK (Girls Are Investors).

From the moment people join PGIM, we pledge to help them unlock their full potential. Our talent programmes aim to create a productive and inclusive workplace in which employees have the skills, support, and resources to succeed in their job and are empowered to grow and develop.

CLIENT & INDUSTRY

We know that culture and inclusion are of importance to many of our clients across the globe; we aim to assist our clients in this space by sharing our strategy, taking part in industry research and being transparent in our own culture and inclusion practices.

PGIM is also recognised as a change agent in the asset management industry, enhancing career opportunities and professional development through leadership and participation in industry conversations. We contribute to external benchmarking initiatives for transparency and consistency, and to ensure our initiatives and programs have the impact we expect. In addition, PGIM engages, through industry associations, to respond to regulatory and government requests for comment or information.

INVESTING

Given PGIM's global footprint and expertise, we have the capabilities to work with clients who desire to allocate capital in a way that drives positive socio-economic impact.

Since 2013, our Emerging Managers program has allocated resources to emerging managers, evolving to better serve global needs and market trends. With the program transitioning from early-stage managers to private equity managers, the program aims to maximise long-term risk-adjusted returns. By increasing flows to early-stage managers through investment and coaching, we strive to establish PGIM as an industry leader.

Furthering PFI's commitment to improve systems to empower individuals, strengthen communities, and drive economic progress by partnering with nonprofit innovators and leveraging Prudential's expertise, talent, and reach, we have established a program to support student-run investment funds at two leading Historically Black Colleges and Universities (HBCUs) since 2022. This program provides students with real-world investing experience through PGIM Finance Labs, student-led investment funds, and access to current market intelligence. Our goal is to uplift students and support the faculty and endowment professionals who drive these critical institutions' sustainability.

OUR COMMUNITY

PGIM cares deeply about the global communities in which we operate so we look to provide meaningful firmwide projects that leave a lasting impact on our world. We partner with dozens of community organisations globally, whose work spans education and job readiness, food security and healthcare. Our employees volunteer their time and skills to support these organisations, and eligible U.S. employees can earn up to $500 per calendar year in volunteer grants for eligible nonprofits by recording their volunteer hours. Our employee match platform, PruCares, matches U.S. eligible employee donations of up to $5,000 annually to thousands of nonprofit organisations globally. The Prudential Foundation has donated over $1.1 billion to nonprofit partners working to create paths to economic mobility for communities in the U.S. and around the world since the Foundation's first grant in 1978.

We have a multiyear, multifaceted partnership with YouthBuild International, an organisation that prepares and empowers young people to make a positive impact in their community through service and leadership. We drive outcomes through financial contributions and by partnering the skills and expertise of PGIM employees to over 75 projects globally. Additionally, the Ron Andrews Scholarship Program, founded in 2020, aims to foster inclusion and equity in our internship program and set interns from underrepresented backgrounds up for successful careers in asset management. Each scholar receives a 529 plan funded at $10,000 - to support them as they finish their college journey. The scholarship program is open to all eligible students with financial need who have accepted a PGIM summer internship and have the need for financial assistance and have demonstrated overcoming socioeconomic barriers and have a background or experience that is underrepresented in the asset management industry. Our paid internships and scholarship program are designed to provide equitable access to the career mobilizing power of on-the-job skills and experience and to build a bench of future leaders. In 2025, 80% of the scholars received return offers and 100% of these were accepted.

PGIM leverages PFI's Supplier Engagement programme, which strives to provide opportunity for a broad range of qualified suppliers to compete for our business. We expect our suppliers to share our commitment to profitable and sustainable growth, and we value the potential and realised benefits that a sustainable supplier base provides, including

- Enhanced innovation and improved efficiency
- Expanded pool of talent, capabilities and perspectives
- Access to new customer segments and markets
- Savings from decreased material, energy and resource costs
- Strengthened supplier and customer relationships
- Support of our core values of being worthy of trust, staying customer focused, respecting each other, and winning with integrity
- Stronger communities and ecosystems where we live and work by generating maximum stakeholder impact.

APPENDICES

INDEX TO THE U.K. STEWARDSHIP CODE 2026

The table below maps the UK Stewardship Code 2026 disclosures and principles for asset owners and asset managers to relevant disclosures in PGIM's Policy & Context Report and Activities & Outcomes Report.

For PGIM Sustainability & Stewardship Report: Policy & Context Disclosures 2025, please see: https://www.pgim.com/gb/en/institutional/solutions/sustainability/policies-and-reports

U.K. Stewardship Code 2026 Principle	Relevant pages	Applicable case studies
Policy & Context Disclosures		
A. Describe your organisation, your investment beliefs, your clients or beneficiaries and how that informs your approach to stewardship.	P&C: About PGIM; Our Clients; Sustainability and Stewardship in the Investment Process, including PGIM's fiduciary approach, client choice and asset-class-specific implementation. P&C pages: 2-5, 11-16.	A&O: About PGIM; Highlights of the Year; Sustainability Investment and Stewardship Implementation by Asset Class. A&O pages: 2-7, 8-9.
B. Describe how your resources enable effective stewardship.	P&C: Our Governance and Resources, including sustainability governance, dedicated resources, training and education, external service providers, technology and infrastructure. P&C pages: 6-10.	A&O: Evidence of stewardship resources applied through asset-class case studies, thematic research, data platforms, monitoring, voting and policy engagement. A&O pages: 13-18, 21-24, 27-36, 40-44, 57-68, 69-71.
C. Describe your stewardship policies and processes, and how you review them.	P&C: Sustainability and Stewardship Policy; Managing Investment Risks and Opportunities; Active Stewardship Across Asset Classes; proxy voting policies and asset-class stewardship processes. P&C pages: 11-16, 20-23, 25, 28, 32-38, 43-45, 46.	A&O: Implementation of stewardship policies and processes, including engagement, voting, escalation, service-provider monitoring and asset-class stewardship outcomes. A&O pages: 13-18, 21-24, 27-36, 40-49, 57-68.
D. Describe how you manage stewardship-related conflicts of interest to put the best interests of clients and beneficiaries first.	P&C: Conflicts of Interest; Stewardship-specific conflicts; escalation, recusal, independent review, compliance/legal controls and conflicts management framework. P&C pages: 7-9.	A&O: Governance controls in practice, including private credit board participation rights and conflict-management processes for senior and junior capital. A&O pages: 22-23.
E. Describe how you maintain a dialogue with clients and/or beneficiaries.	P&C: Engaging with Our Clients; client reporting; investor engagement; service-provider and reporting frameworks; customised reporting and due diligence responses. P&C pages: 5-6, 8, 13-15, 44-45, 47-48.	A&O: Client-focused stewardship, client roundtables, sustainability solutions, investor engagement examples and periodic reporting through the Activities & Outcomes Report. A&O pages: 5-7, 12-13, 26-27, 39-40, 55-58, 65-69.

Stewardship Principles		
1. Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries.	P&C: Sustainability and Stewardship in the Investment Process; Managing Investment Risks and Opportunities; Delivering Sustainability Solutions for Clients; Active Stewardship Across Asset Classes; asset-class implementation. P&C pages: 11-16, 16-45.	A&O: Sustainability Investment and Stewardship Implementation by asset class: • Public Credit: pp. 8-12 • Private Credit: pp. 19-21 • Private Markets Secondaries: pp. 24 • Fundamental Equities: pp 25-26 • Quantitative Equities: pp. 37-39 • Real Estate: pp. 50-57.
2. Signatories identify and respond to market-wide and systemic risks to promote well-functioning financial markets.	P&C: Engagement with Regulators, Policymakers and Industry Groups; participation in market-wide initiatives and industry bodies; support for market standards and decision-useful disclosures. P&C pages: 15-16, 22-23, 33, 36, 45.	A&O: Public credit thematic engagement; engagement with regulators, policymakers and industry groups: A&O pages: 14-16, 65-68.
3. Signatories engage to maintain or enhance the value of assets.	P&C: Active stewardship across asset classes, including issuer, borrower, GP, investee company, tenant, partner and service-provider engagement. P&C pages: 13-15, 20-23, 25, 28, 32-33, 36-38, 43-45.	A&O: Active stewardship by asset class • Public Credit: pages 13-18, • Private Credit: pages 21-23 • Fundamental Equities: pages 27-29 • Quantitative Equities: pages 40-44 • Real Estate: pages 57-64.
4. Signatories actively exercise their rights and responsibilities.	P&C: Proxy voting approach; use of voting rights in clients' best interests; capital allocation, contractual provisions, governance rights and lender/ownership levers. P&C pages: 14-15, 21-23, 25, 33-38, 43-44, 46.	A&O: Exercising rights and responsibilities by asset class, including securitised credit, private credit governance rights, proxy voting and real estate lender/ownership levers. A&O pages: 16, 22-23, 29-36, 44-48, 49, 58-60.
5. Signatories integrate stewardship considerations into their selection and oversight of external managers.	P&C: PGIM primarily invests directly rather than appointing external managers; for private markets secondaries, MCP evaluates and monitors GP practices through sustainability risk assessment and ongoing monitoring. P&C pages: 26-28.	A&O: PGIM invests directly rather than appointing external managers; for private markets secondaries, see GP oversight through the annual GP Sustainability Survey. A&O page: 24.
6. Signatories monitor and hol d to account stewardship service providers.	P&C: External Service Providers; Third-Party Risk Management standards; proxy voting and sustainability research providers; real estate service-provider due diligence and monitoring. P&C pages: 8-10, 36, 43-45, 46.	A&O: Monitoring and engagement with data vendors, proxy advisors, sustainability research and engagement providers, real estate service providers and property managers. A&O pages: 17, 43, 61.

Note: P&C refers to the PGIM Sustainability & Stewardship Report: Policy & Context Disclosures 2025, A&O refers to the PGIM Sustainability & Stewardship Report, Activities and Outcomes Report, 2025.

INDEX TO AUSTRALIAN ASSET OWNER STEWARDSHIP CODE (AAOSC)

The table below maps the Australian Asset Owner Stewardship Code principles to relevant disclosures in PGIM's Policy & Context Report and Activities & Outcomes Report.

Australian Asset Owner Stewardship Code Principle	Relevant Disclosure in the Policy & Context Disclosures	Relevant Pages Within the Activities & Outcomes Report
1. Publicly disclose how they approach their stewardship responsibilities	P&C: Sustainability & Stewardship Policy; Sustainability and Stewardship in the Investment Process; Active Stewardship Across Asset Classes; Engaging with Our Clients; asset-class stewardship policies and governance. P&C pages: 5-16, 20-23, 25, 28, 32-38, 43-45, 46.	A&O: Overview of stewardship activities and implementation across asset classes, including engagement, voting and sustainability integration. A&O pages: 2-7, 8-49, 57-68.
2. Publicly disclose their policy for voting at company meetings and voting activity	P&C: Proxy voting policy and processes for Fundamental Equities, Quantitative Equities and Real Estate Securities; voting judgement retained internally; public availability of voting records and policies. P&C pages: 14-15, 33-38, 46.	A&O: Proxy voting approach, voting statistics, voting records, rationale and case studies for Fundamental Equities, Quantitative Equities and Real Estate Securities. A&O pages: 29-36, 44-49.
3. Engage with companies, directly, indirectly or both, and supplement engagement when necessary	P&C: Active stewardship and engagement approaches across issuers, borrowers, investee companies, GPs, tenants, partners, service providers, regulators and industry bodies. P&C pages: 13-15, 20-23, 25, 28, 32-33, 36-38, 43-45.	A&O: Engagement with issuers, borrowers, investee companies, GPs, tenants, borrowers, service providers, policymakers and industry bodies. A&O pages: 13-18, 21-24, 27-29, 40-44, 58-61, 65-68.
4. Monitor asset managers' stewardship activities	P&C: PGIM invests directly rather than appointing external managers in most strategies; for private markets secondaries, MCP monitors GP practices through sustainability risk assessment, annual GP updates and ongoing monitoring. P&C pages: 26-28.	A&O: PGIM invests directly rather than appointing external managers; for private markets secondaries, see GP oversight through the annual GP Sustainability Survey and related monitoring. A&O page: 24.
5. Encourage better alignment of the financial system and regulatory policy with long-term investors	P&C: Engagement with regulators, policymakers and industry groups; participation in industry initiatives and support for decision-useful market standards and sustainable finance regulation. P&C pages: 15-16, 22-23, 33, 36, 45.	A&O: Engagement with regulators, policymakers and industry groups, including sustainable finance regulation, stewardship codes, market standards and industry initiatives. A&O pages: 65-68.
6. Report on stewardship activities	P&C: Client dialogue and reporting; stewardship and sustainability disclosures; external reporting frameworks and appendix links to policies and statements. P&C pages: 5-6, 9-10, 44-46, 47-48.	A&O: Activities & Outcomes Report as a whole, including stewardship activities, engagement outcomes, voting outcomes, market-wide engagement and asset-class case studies. A&O pages: Whole report, particularly 5-7, 13-18, 21-24, 27-49, 57-68.
7. Outline how collaboration is utilised in stewardship activities	P&C: Participation in collaborative and industry initiatives across credit, equities and real estate. P&C pages: 15-16, 22-23, 25, 33, 36, 45.	A&O: Collaborative initiatives, industry groups, investor coalitions, policy consultations and market-wide engagement. A&O pages: 13-18, 21-24, 27-29, 40-44, 57-64, 65-68.

Note: P&C refers to the PGIM Sustainability & Stewardship Report: Policy & Context Disclosures 2025, A&O refers to the PGIM Sustainability & Stewardship Report, Activities and Outcomes Report, 2025.

JAPAN'S STEWARDSHIP CODE INDEX

The table below sets out a mapping of the core principles of Japan's Stewardship Code to the relevant sections of PGIM's Sustainability & Stewardship Reports. References to "P&C" relate to the Sustainability & Stewardship Policy & Context Report and references to "A&O" relate to the Sustainability & Stewardship Activities & Outcomes Report.

Japan's Stewardship Code Principle	Relevant Disclosure in the Policy & Context Disclosures	Relevant Pages Within the Activities & Outcomes Report
1. Institutional investors should have a clear policy on how they fulfil their stewardship responsibilities, and publicly disclose it	P&C: Sustainability & Stewardship Policy; Sustainability and Stewardship in the Investment Process; Active Stewardship Across Asset Classes; asset-class governance; proxy voting policies and Japanese Stewardship Code statements. P&C pages: 11-16, 29-38, 46.	A&O: Implementation of sustainability investment and stewardship by asset class, including examples of stewardship activity and outcomes. A&O pages: 8-18, 21-24, 27-36, 40-49, 57-64.
2. Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities	P&C: Conflicts of Interest; Stewardship-specific conflicts; escalation, recusal, independent review and compliance/legal controls. P&C pages: 7-9.	A&O: Governance controls in practice, including private credit board participation rights and conflict-management processes for senior and junior capital. A&O page: 23.
3. Institutional investors should monitor investee companies so that they can appropriately fulfil their stewardship responsibilities	P&C: Monitoring processes across public credit, private credit, private markets secondaries, public equities and real estate, including sustainability risk assessment, engagement tracking, GP monitoring, borrower monitoring and asset-level reviews. P&C pages: 17-28, 32-33, 36-45.	A&O: Examples of issuer, borrower, GP, company and asset monitoring through Impact Ratings, thematic research, GP sustainability surveys, sustainability risk reviews, proxy analysis and real estate asset management. A&O pages: 13-18, 21-24, 27-29, 40-44, 52-61.
4. Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies	P&C: Active Stewardship; engagement with issuers, borrowers, investee companies, GPs, tenants, partners, service providers, regulators and industry bodies. P&C pages: 13-15, 20-23, 25, 28, 32-33, 36-38, 43-45.	A&O: Constructive engagement case studies across public credit, private credit, MCP, fundamental equities, quantitative equities, real estate, service providers and policy/industry initiatives. A&O pages: 13-18, 21-24, 27-29, 40-44, 58-68.
5. Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist: it should be designed to contribute to sustainable growth of investee companies	P&C: Proxy Voting Policies and Processes; judgement-based voting approach for Fundamental Equities, Quantitative Equities and Real Estate Securities; public availability of proxy voting records and voting guidelines. P&C pages: 14-15, 33-38, 46.	A&O: Proxy voting approach, voting statistics, voting records, rationale and case studies for Fundamental Equities, Quantitative Equities and Real Estate Securities. A&O pages: 29-36, 44-49.
6. Institutional investors in principle should report periodically on how they fulfil their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries	P&C: Engaging with Our Clients; client reporting, stewardship disclosures, external service provider oversight and appendix links to relevant policies and statements. P&C pages: 5-6, 9-10, 44-46, 47-48.	A&O: Periodic reporting on stewardship activities, engagement outcomes, voting responsibilities, policy engagement, industry participation and asset-class implementation. A&O pages: Whole report, particularly 5-7, 13-18, 21-24, 27-36, 40-49, 57-68.

7. To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies, and to make proper judgements in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies	P&C: Governance and Resources; resourcing sustainability and stewardship; training and education; external service providers; technology and infrastructure; investment research and stewardship frameworks by asset class. P&C pages: 6-10, 16-45.	A&O: Evidence of applied skills and resources through proprietary research, Impact Ratings, Temperature Alignment Tool, sustainability risk assessments, thematic engagement, voting analysis, real estate sustainability platforms, policy engagement and people development. A&O pages: 8-24, 25-29, 37-44, 50-68, 69-71.

Note: P&C refers to the PGIM Sustainability & Stewardship Report: Policy & Context Disclosures 2025, A&O refers to the PGIM Sustainability & Stewardship Report, Activities and Outcomes Report, 2025.

IMPORTANT INFORMATION

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

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