



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate practice or identify the need for additional or other specific</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate practice or identify the need for additional or other specific</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p> <p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate practice or identify the need for additional or other specific</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate practice or identify the need for additional or other specific</p> <p><input checked="" type="checkbox"/> We do not engage in collaborative engagements</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate practice or identify the need for additional or other specific</p> <p><input checked="" type="checkbox"/> We do not engage in service providers</p>		

RI TRANSPARENCY REPORT

2020

PGIM Fixed Income

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Examples of ESG factors in screening process	✓	Private	✓						
FI 06	Screening - ensuring criteria are met	✓	Public	✓						
FI 07	Thematic investing - overview	🔒	n/a	✓						
FI 08	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 09	Thematic investing - assessing impact	🔒	n/a	✓						
FI 10	Integration overview	✓	Public	✓						
FI 11	Integration - ESG information in investment processes	✓	Public	✓						
FI 12	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 13	ESG incorporation in passive funds	🔒	n/a	✓						
FI 14	Engagement overview and coverage	✓	Public		✓					
FI 15	Engagement method	✓	Public	✓	✓					
FI 16	Engagement policy disclosure	✓	Public	✓	✓					
FI 17	Financial/ESG performance	✓	Private							✓
FI 18	Examples - ESG incorporation or engagement	✓	Private	✓	✓					
FI End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year`s PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year`s PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

PGIM Fixed Income

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 01.2

Additional information. [Optional]

Hedge fund classifications: Fixed Income - Arbitrage (Global & U.S. Liquidity Relative Value funds); Fixed Income Emerging Markets Long/Short.

PGIM Fixed Income is a global asset manager offering active solutions across all fixed income markets. The company has investment staff in Newark, New Jersey, London, Tokyo and Singapore. As of December 31, 2019, the firm has \$851 billion of assets under management including \$365 billion in institutional assets, \$159 billion in retail assets, and \$327 billion in proprietary assets. More than 500 institutional asset owners have entrusted PGIM Fixed Income with their assets.

PGIM Fixed Income is a United States business operating as a unit within PGIM, Inc. ("PGIM"). PGIM is the largest investment adviser within Prudential Financial, Inc. ("PFI"). As of December 31, 2019, PGIM had \$1.3 trillion in assets under management across their real estate, equity, public fixed income, and private fixed income businesses.

We believe that the supportive parental ownership structure, and our large globally diversified business model, provides long-term stability, asset scale benefits, robust financial status and deep resources, all of which are aligned to our clients' long-term objectives.

*Prudential Financial, Inc. (PFI) of the United States is not affiliated with Prudential plc which is headquartered in the United Kingdom or with Prudential Assurance Company, a subsidiary of M&G plc, incorporated in the United Kingdom.

OO 02	Mandatory	Public	Peering	General
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OO 02.1	Select the location of your organisation's headquarters.
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United States

OO 02.2	Indicate the number of countries in which you have offices (including your headquarters).
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- 1
- 2-5
- 6-10
- >10

OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).
---------	---

FTE

906

OO 02.4	Additional information. [Optional]
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Information as of December 31, 2019.

Average firm tenure for portfolio managers and research analysts are 20 and 14 years respectively. Firm wide turnover is <4%. We believe our organisational culture is key to this.

We maintain a collegial and supportive organisational culture that rewards individual initiative but also places emphasis on team contribution. Investment professionals are not only expected to develop strong investment insights in their areas of expertise, but also to actively share them for the greater good of the overall organisation.

Significant support and responsibility is provided to high potential individuals with technical and leadership skills, who are given increasingly challenging assignments in key areas. The firm's scale provide significant staff development opportunities.

Also key to staff retention is our superior market position, attractive compensation, enabling investment process supported by proprietary research techniques and quantitative modelling, and varied career opportunities. With seniority, the variable performance related component of compensation increases which provides further motivation and alignment.

OO 03	Mandatory	Public	Descriptive	General
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OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.
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- Yes
- No

OO 03.3 Additional information. [Optional]

While not subsidiaries of PGIM Fixed Income, Quantitative Management Associates LLC and PGIM Real Estate are separate business units under the PGIM umbrella and are also signatories to the PRI.

OO 04 **Mandatory** **Public** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

31/12/2019

OO 04.2 Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		850	539	156	263
Currency	USD				
Assets in USD		850	539	156	263

Not applicable as we are in the fund-raising process

OO 04.4 Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

OO 04.5 Additional information. [Optional]

Assets as of December 31, 2019. Source: PGIM Fixed Income. Assets under management (AUM) are based on company estimates and are subject to change. PGIM Fixed Income's AUM includes the following businesses: (i) the PGIM Fixed income unit within PGIM, Inc, located in the USA; (ii) the public fixed income unit within PGIM Limited, located in London; (iii) PGIM Netherlands B.V. located in Amsterdam; (iv) locally managed assets of PGIM Japan Co., Ltd. ("PGIM Japan"), located in Tokyo; and (v) the public fixed income unit within PGIM (Singapore) Pte. Ltd., located in Singapore. Asset class breakdown based on company estimates and is subject to change. 1Other includes Japanese equities and Japanese real estate equities.

OO 06 **Mandatory** **Public** **Descriptive** **General**

OO 06.1 Select how you would like to disclose your asset class mix.

as percentage breakdown

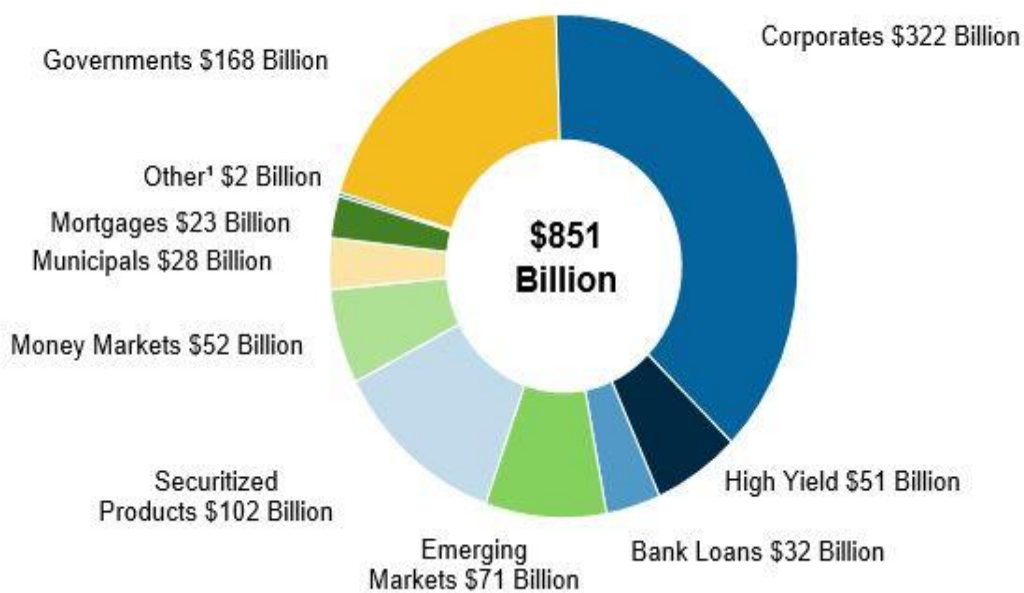
	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	100	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0

Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

OO 06.2

Publish asset class mix as per attached image [Optional].



OO 06.3

Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

OO 06.5

Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

OO 06.6

Provide contextual information on your AUM asset class split. [Optional]

Assets as of December 31, 2019. Source: PGIM Fixed Income. Assets under management (AUM) are based on company estimates and are subject to change. PGIM Fixed Income's AUM includes the following businesses: (i) the PGIM Fixed income unit within PGIM, Inc, located in the USA; (ii) the public fixed income unit within PGIM Limited, located in London; (iii) PGIM Netherlands B.V. located in Amsterdam; (iv) locally managed assets of PGIM Japan Co., Ltd. ("PGIM Japan"), located in Tokyo; and (v) the public fixed income unit within PGIM (Singapore) Pte. Ltd., located in Singapore. Asset class breakdown based on company estimates and is subject to change. 1Other includes Japanese equities and Japanese real estate equities.

OO 09	Mandatory	Public	Peering	General
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OO 09.1

Indicate the breakdown of your organisation's AUM by market.

92	Developed Markets
8	Emerging Markets
0	Frontier Markets
0	Other Markets
100%	Total 100%

OO 09.2

Additional information. [Optional]

As of December 31, 2019.

Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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OO 10.1

Select the active ownership activities your organisation implemented in the reporting year.

Fixed income SSA – engagement

- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (securitised) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11	Mandatory	Public	Gateway	General
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OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - securitised

- We address ESG incorporation.
- We do not do ESG incorporation.

OO 12	Mandatory	Public	Gateway	General
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OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Fixed Income

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised

Closing module

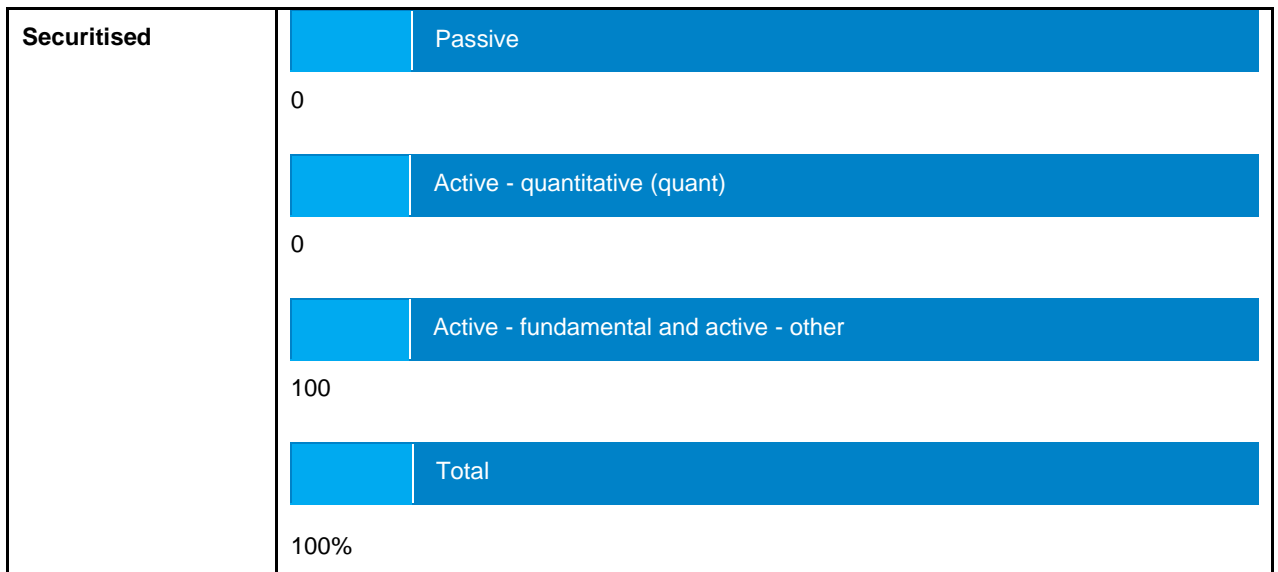
- Closing module

Peering questions

OO FI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO FI 01.1 Provide a breakdown of your internally managed fixed income securities by active and passive strategies

SSA	<table border="1"> <tbody> <tr> <td data-bbox="496 219 624 286"> </td> <td data-bbox="624 219 1479 286"> Passive </td> </tr> <tr> <td data-bbox="496 297 624 320"> 0 </td> <td></td> </tr> <tr> <td data-bbox="496 365 624 432"> </td> <td data-bbox="624 365 1479 432"> Active - quantitative (quant) </td> </tr> <tr> <td data-bbox="496 443 624 465"> 0 </td> <td></td> </tr> <tr> <td data-bbox="496 510 624 577"> </td> <td data-bbox="624 510 1479 577"> Active - fundamental and active - other </td> </tr> <tr> <td data-bbox="496 589 624 611"> 100 </td> <td></td> </tr> <tr> <td data-bbox="496 656 624 723"> </td> <td data-bbox="624 656 1479 723"> Total </td> </tr> <tr> <td data-bbox="496 734 624 757"> 100% </td> <td></td> </tr> </tbody> </table>		Passive	0			Active - quantitative (quant)	0			Active - fundamental and active - other	100			Total	100%	
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100%																	



OO FI 01.2 Additional information. [Optional]

As of December 31, 2019.

OO FI 03	Mandatory	Public	Descriptive	General
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Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 03.1 Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.



OO FI 03.2 Indicate the approximate (+/- 5%) breakdown of your corporate and securitized investments by investment grade or high-yield securities.

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Corporate (non-financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Securitised	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%

OO FI 03.3	Additional information. [Optional]
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As of December 31, 2019.

	If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below
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OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

PGIM Fixed Income

Reported Information

Public version

Strategy and Governance

PRI disclaimer

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Other, specify (1) Engagement <input checked="" type="checkbox"/> Other, specify(2) Proxy Voting Policy, Investment Guidelines	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

PGIM Fixed Income believes that ESG issues can affect the performance of investment portfolios. As a signatory to the PRI, we are committed to adopting and implementing the Principles, where consistent with our fiduciary responsibilities. This includes the integration of ESG issues into our investment analysis and decision-making processes. We also recognise that applying the Principles of the UN Global Compact (UNGC) and the UN Sustainable Development Goals (SDGs) may better align investors with broader objectives of society. To this end, the PGIM Fixed Income ESG Committee has been established to act as the governing body for directing and overseeing PGIM Fixed Income's ESG-related activities, with specific responsibility for:

- Developing all policies and procedures that integrate ESG factors into the PGIM Fixed Income investment process
- Establishing the methodology for PGIM Fixed Income's internal ESG rating framework
- Overseeing the assignment of all ESG ratings
- Monitoring ESG-related engagement with individual issuers; and
- Establishing and maintaining guidelines for ESG-related funds managed by PGIM Fixed Income.

As a fundamental research focused manager we fully recognise the importance of integrating ESG factors in our global investment research, decision making and portfolio management.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Our analysts source ESG information directly as part of their fundamental analysis, including from direct access to issuers. Analysts look beyond stated ESG policies, which may be well articulated by larger issuers or those in ESG sensitive industries, but nonetheless may still represent significant ESG risk (outstanding ESG-related company litigations). Analysts' own research is supplemented by external ESG providers such as Sustainalytics and MSCI and we find their analysis helpful in highlighting what we may otherwise have considered less impactful credit risks (e.g. controversies in minor markets or the issuers' supply chains). While there have been instances in the past where we haven't always agreed with their analysis (e.g. their ESG ratings of certain issuers differ dramatically), all decisions are made as part of our relative value process integrating the shared views of our sector portfolio managers and analysts.

We have also hired MSCI, which provides us with the added benefit of carbon data availability in Aladdin Research. We are now capable of providing further analysis on carbon data as well as other data of our portfolios.

No

SG 01.6	Additional information [Optional].
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Our investment policy is not asset class specific. It was originally adopted in 2014, last modified in January 2020 and is reviewed / updated annually. It covers all of the fixed income asset classes that we invest in.

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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Policy setting out your overall approach

	URL/Attachment
--	----------------

URL

	URL
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<https://www.pgim.com/pgim-fixed-income/esg-investing>

Attachment (will be made public)

	Attachment
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[File 1:PGIM Fixed Income ESG Policy Statement.pdf](#)

Asset class-specific RI guidelines

Sector specific RI guidelines

Screening / exclusions policy

Other, specify (1)

	Other, specify (1) description
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Engagement

	URL/Attachment
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URL

URL

<https://www.pgim.com/pgim-fixed-income/thought-leadership/perspectives/Applications-of-ESG-to-Securitized-Assets>

- Attachment (will be made public)
- Other, specify (2)

Other, specify (2) description

Proxy Voting Policy, Investment Guidelines

URL/Attachment

- URL

URL

<https://www.pgim.com/wps/wcm/connect/274798f1-8d4d-4b26-bd57-7e0a1a3b75ae/MIFID2ESGFramework.pdf?MOD=AJPERES &CVID=m2tVkou &CVID=m2tVkou &CVID=m2tVkou &CVID=m2tVkou &CVID=m2tVkou &CVID=m2tVkou &CVID=m2tVkou &CVID=m2tVkou &CVID=m2tVkou &CVID=m2tVkou &CVID=m2tVkou>

- Attachment (will be made public)
- We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- URL

URL

<https://www.pgim.com/wps/wcm/connect/ad122a14-ca3a-4cc9-a2ff-7d8e1e4be6e3/2019ESGPolicyStatement.pdf?MOD=AJPERES &CVID=mxsWceV &CVID=m9J3q-O &CVID=m9J3q-O &CVID=m9J3q-O &CVID=m9J3q-O &CVID=m9J3q-O &CVID=m9J3q-O &CVID=m9J3q-O &CVID=m9J3q-O &CVID=m9J3q-O>

- Attachment
- Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

- URL

URL

<https://www.pgim.com/pgim-fixed-income/esg-investing>

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

<https://www.pgim.com/wps/wcm/connect/ad122a14-ca3a-4cc9-a2ff-7d8e1e4be6e3/PGIM+-Policy+Statement.pdf?MOD=AJPERES&CVID=IZTQCup>

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

<https://www.pgim.com/wps/wcm/connect/ad122a14-ca3a-4cc9-a2ff-7d8e1e4be6e3/PGIM+-Policy+Statement.pdf?MOD=AJPERES&CVID=IZTQCup>

Attachment

Reporting

Understanding and incorporating client / beneficiary sustainability preferences

We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

We have established customised guidelines that include ESG-related restrictions for certain clients. This includes all of our UCITS sub-funds, which are now subject to ESG-related investment restrictions.

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.			
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Yes

SG 03.2

Describe your policy on managing potential conflicts of interest in the investment process.

Like other investment advisers, PGIM Fixed Income is subject to various conflicts of interest in the ordinary course of our business. We strive to identify potential risks, including conflicts of interest, that are inherent in our business, and we conduct annual conflict of interest reviews. When actual or potential conflicts of interest are identified, we seek to address such conflicts through one or more of the following methods:

- elimination of the conflict;
- disclosure of the conflict; or
- management of the conflict through the adoption of appropriate policies, procedures or other mitigants.

We follow PFI's policies on business ethics, personal securities trading, and information barriers. We have adopted a code of ethics (see Item 11 in our Form ADV Part 2A), allocation policies and conflicts of interest policies, among others, and have adopted supervisory procedures to monitor compliance with our policies. We cannot guarantee, however, that our policies and procedures will detect and prevent, or result in the disclosure of, each and every situation in which a conflict may arise.

No

Objectives and strategies**SG 05****Mandatory****Public****Gateway/Core Assessed****General****SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2

Additional information. [Optional]

The PGIM Fixed Income ESG Committee has been established to act as the governing body for directing and overseeing PGIM Fixed Income's ESG-related activities, with specific responsibility for:

- Developing all policies and procedures that integrate ESG factors into the PGIM Fixed Income investment process, both generally and with respect to specific PGIM Fixed Income products.
- Establishing the methodology for PGIM Fixed Income's internal ESG rating framework
- Overseeing the assignment of all ESG ratings
- Monitoring ESG-related engagement with individual issuers; and
- Establishing and maintaining guidelines for ESG-related funds managed by PGIM Fixed Income.

Our commitment to Responsible Investment at board level can be seen in the makeup of our ESG Committee which consists of senior executives and investment professionals. The committee is co-chaired by our CIO / Head of Fixed Income and Head of Global Investment Grade Credit Research. The Voting Members of the Committee include the Head of Credit, Chief Economist, and senior credit analysts from our Investment Grade, Emerging Markets, Leveraged Finance, Municipal, and Securitised Credit desks with representation from our Newark, London and Tokyo offices.

We are in the process of hiring a dedicated Head of ESG research who will be supported by a team of dedicated ESG specialists to assist credit analysts with their ESG integration, internal ratings and issuer engagement activities.

Governance and human resources

SG 07

Mandatory

Public

Core Assessed

General

SG 07.1

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles

- Board members or trustees
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 - ESG Committee Members**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Investor relations
 - Other role, specify (1)

Other description (1)

ESG Dedicated Analyst

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (2)
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Our ESG Committee, established in 2014, acts as a governing body to oversee our ESG integration. The committee is responsible for establishing best practice policy, reviewing ESG integrated issues and engagement across all credit sectors, and facilitating dialogue between investment groups to support debate and share ideas in an evolving and often subjective area. Recent committee meetings have been open and honest, on the basis that diversity of views and debate leads to the most robust considerations and end decisions.

Our investment process begins with the senior investment team assessing the global market environment. This includes the review of any ESG issues by our credit research analysts or global economists. The majority of our ESG analysis would be conducted at this stage. While we conduct our own ESG research, our credit research team and economists also utilise third-party ESG research models.

With respect to corporate credit research, we have a five-step process which integrates ESG factors into our fundamental opinions.

- 1 Identifying material ESG issues that may have an impact on an issuer and documenting those items into our internal research database, Aladdin® Research. This enables our analysts to monitor these issues over time and provide updates to the companies' progress in addressing them.
- 2 Our analysts will engage with issuers when we believe the potential ESG items highlighted are material. The objective here is to get a better understanding of how management will address these issues. Our opinion of management's credibility on ESG issues helps to inform our fundamental credit opinion.
- 3 Our analysts will document all material ESG issues in a specific section within our in-depth credit research reports. Here the analyst highlights the issues and explains how the issues are considered with respect to their fundamental credit opinions.
- 4 Our newest step is the pending launch of our internal proprietary ESG ratings. After considering potential ESG issues and our engagement with management, our analysts will be assigning an internal ESG rating. We expect to launch these internal ratings on January 1, 2020.
- 5 Our final step integrates the analysts and the portfolios managers. The portfolio managers maintain ESG relative value journals which capture all discussions between portfolio managers and analysts regarding ESG issues and our relative value opinion on those issues.

The senior portfolio managers then construct the portfolio along with the team of sector specialists and analysts. The portfolio management team reviews the research before deciding whether or not the issuer has any material ESG concerns. The portfolio managers also ensure that the issuer would not violate any guidelines of the portfolio (including any SRI screens or restrictions).

Portfolio managers and risk managers oversee risk positioning daily, which includes the review of any material ESG issues that would either cause the portfolio to exceed its risk budget or result in a violation of ESG restrictions.

ESG Broad Factors for Consideration

Environmental

- Overall Environmental Policies
- Greenhouse Gas (GHG) Reduction Program, Reporting & Trend
- Water and Wastewater Management Programs
- Energy Efficiency and Renewable Energy Programs
- Waste & Hazardous Materials Program
- Environmental Fines & Penalties

Social

- Human Rights Policies
- Working Conditions & Employee Incidents
- Supply Chain Monitoring
- Diversity & Inclusion Programmes
- Data Security & Privacy Breaches
- Product Safety and Consumer Protections

Governance

- Board Independence, Diversity, Transparency, Experience, Leadership
- Global Compact Signatory
- ESG Reporting: Disclosure, Performance Targets
- Financial Reporting: Disclosure, Timeliness, Transparency
- Incidents: Business Ethics, Governance, Accounting, Tax Bribery, etc.

Screening

Given the regional diversity and sensitivities of PGIM Fixed Income global client base, many of our clients are keen for us to select credits across as broad a universe of investment opportunities as is appropriate for the strategy. We have adopted an approach and allow the use of SRI screens in each separately managed mandate based on client requirements in the investment management agreement.

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
----------------	--

Number

1

SG 07.4	Additional information. [Optional]
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PGIM Fixed Income has chosen to integrate our ESG analysis into our portfolio management and credit research teams rather than employ a dedicated ESG team. In 2018, we also hired an ESG analyst who sits on the credit research team whose sole focus is assisting with the firm's ESG efforts.

Although we have a dedicated analyst, our entire Credit Research Team takes ESG issues into account in its analysis of the creditworthiness of investments it makes on behalf of clients and recommends certain credits to the portfolio management team. On a team level, senior portfolio managers are ultimately responsible for all portfolio decisions in his or her respective strategy, including ESG issues.

As mentioned earlier, we are also in the process of hiring a dedicated Head of ESG Research who will be supported by a team of dedicated ESG specialists to assist credit analysts with their ESG integration, internal ratings and issuer engagement activities.

ESG factors are one of several criteria that affect the fundamental internal credit rating (AA/A/BBB etc.) and outlook (Positive, Negative and Stable) our credit analysis assigns to each of the issuers within our credit research coverage universe.

While PGIM Fixed Income does not currently apply a separate proprietary RI/ESG score to individual issuers we review, our third party ESG research provider, Sustainalytics, provides us with an overall issuer ESG score, relative peer position and percentile as well as ratings on Environment, Social, and Governance.

SG 07 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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**SG 07.5
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

**Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO),
Investment Committee**

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (1)

ESG Dedicated Analyst

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Since signing the PRI in February 2015, we have implemented ESG integration and made appropriate updates into our investment process as we see fit.

- Asian Corporate Governance Association
 Australian Council of Superannuation Investors
 AVCA: Sustainability Committee
 France Invest – La Commission ESG
 BVCA – Responsible Investment Advisory Board
 CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Involvement at parent company level (As of December 31, 2017)

- CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Our parent company, Prudential Financial, is involved with the CDP.

- CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Our parent company, Prudential Financial, is involved with the CDP.

- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Involvement at parent company level

- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Involvement at parent company level

- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Involvement at parent company level

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Involvement at parent company level

- Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Involvement at parent company level

- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

While not a member, we utilise the United Nations Global Compact standards to guide the management of our commingled vehicles with ESG screens.

- Other collaborative organisation/initiative, specify

Please see below:

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

In 2019 we became a signatory to the PRI's Statement on ESG in Credit Risk and Ratings. This initiative will provide us a seat at the table to discuss common themes in the market and further develop guidance on ESG integration in fixed income. We will engage in collaborative initiatives with other investors and credit rating agencies to develop best practices on ESG integration in fixed income. Upcoming discussions will include a series of roundtables to broaden the dialogue between credit analysts and corporate debt issuers, particularly treasurers and CFOs, on ESG consideration.

In January 2020, the PRI created an Advisory Committee on Structured Products Workstream (ACSP) of which we are one of ten firms that have representation. We were excited to be a part of this initiative to share best practices and thought leadership on ESG integration on securitised products.

In addition, we participate in ESG industry conferences sponsored by the PRI, Responsible Investor, CERES, and others globally.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
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Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

	Description
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Our client facing presentations contain ESG information regarding our implementation process when applicable.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Provided financial support for academic or industry research on responsible investment
 - Provided input and/or collaborated with academia on RI related work
 - Encouraged better transparency and disclosure of responsible investment practices across the investment industry
 - Spoke publicly at events and conferences to promote responsible investment
 - Wrote and published in-house research papers on responsible investment

Description

<https://www.pgim.com/pgim-fixed-income/thought-leadership/perspectives/Applications-of-ESG-to-Securitized-Assets>

<https://www.pgim.com/wps/wcm/connect/c6116f1b-0653-437a-aad1-d2ac09bdb644/The+Potential+Implications+of+Investing+in+Coal+Heavy+Utilities.pdf?MOD=AJPERES&CVID=mQnxypy&CVID=mQ8fCOb>

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Encouraged the adoption of the PRI
 - Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
 - Wrote and published articles on responsible investment in the media
 - A member of PRI advisory committees/ working groups, specify

Description

PGIM Fixed Income is now a member of Structured Product Working Group and Statement on ESG in Credit Risk and Ratings.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

SG 10.3

Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

In January 2020, the PRI created an Advisory Committee on Structured Products Workstream (ACSP) of which we are one of ten firms that have representation. This working group was formed to identify how ESG factors are considered in structured products. We are excited to be a part of this initiative to share best practices and thought leadership on ESG integration on structured products.

SG 11

Voluntary

Public

Additional Assessed

PRI 4,5,6

SG 11.1

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.

- Yes

If yes

- Yes, individually
- Yes, in collaboration with others

SG 11.2

Select the methods you have used.

- Endorsed written submissions to governments, regulators or public policy-makers developed by others
- Drafted your own written submissions to governments, regulators or public-policy markers
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

SG 11.3

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- Yes, publicly available
- No
- No

SG 11.4

Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

In July 2019, PGIM Fixed Income was one of two asset manager participants in an initiative by the Structured Finance Association to meet with several Capitol Hill offices, the FDIC (Federal Deposit Insurance Corporation) and the OCC (Office of the Comptroller of the Currency) to seek clarity from bank regulators and legislators on the Valid When Made doctrine and to overcome market uncertainty due to the Madden v. Midland Funding decision and follow-on cases (e.g., Cohen v. Chase Card Funding and Cohen v. Capital One Funding) where credit card securitisation trusts themselves have been listed as defendants. We feel strongly that the breath of the Madden result has had negative consequences from a social perspective because the decision does not differentiate between responsible lenders and pay-day lenders; and credit availability in New York, Connecticut and Vermont (the states where the Madden ruling applies) has been constrained. The recent cases raise a securitisation governance concern as well, as the costs of bad actions of servicers and other third-party service providers would be allowed to be transferred to the trusts and investors. In late 2019, in response to the efforts of PGIM Fixed Income and others, the OCC and the FDIC proposed an administrative workaround.

In September 2019, we visited Ghana in one of our standard due diligence investor trips. Ghana is a solid democracy with strong institutions and its fiscal policy follows the usual "democratic fiscal cycle", i.e., government spending increases before the elections. The next elections are at the end of 2020 and the 2020 budget is being prepared, hence the trip.

Parliament last year approved a Fiscal Responsibility Act that stipulates that the primary balance must be in surplus or balance and that the general deficit is capped at 5% of GDP. We wanted to understand whether the government would embark in some pre-electoral spending and whether this increase in spending would bring about a cut in social programs, most notably the highly successful "free high school" program in order to respect the 5% deficit ceiling. This program costs around 0.7/0.8% of GDP per year.

The deputy minister of finance reassured us that the free high school program will continue and, also, that the government is making extra efforts to convince parents to keep their teenage kids in school rather than making them do menial, very low skilled jobs. We believe that the deputy Ministry of Finance is sincere and that the program will continue.

We see the strong governance as a key component to attracting foreign direct investment and maintaining strong potential growth. We also see value in the diversification of the economy.

Outsourcing to fiduciary managers and investment consultants

SG 12

Mandatory

Public

Core Assessed

PRI 4

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1

Indicate whether your organisation uses investment consultants.

Yes, we use investment consultants

No, we do not use investment consultants.

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.3

Additional information. [OPTIONAL]

Stress testing is an important component of our risk management. It measures the impact of extreme events on a portfolio's overall positioning. We do stress-testing at three levels: at the overall portfolio level, within each sector, and at the individual security level. At the overall portfolio level, five specific historical scenarios are currently stress-tested including: 1) recession, 2) terrorist attacks of Sept 11, 2001, 3) Long-Term Capital Management (in 1998), 4) emerging markets shock, and 5) "credit crunch" shock. The "credit crunch" shock scenario was recent added to reflect the extreme volatility experienced by the fixed income markets in 2008.

SG 14

Mandatory to Report Voluntary to Disclose

Public

Additional Assessed

PRI 1

SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

Our research teams view information from providers such as Sustainalytics, MSCI and Bloomberg. We also review emissions data disclosed by the issuers.

- None of the above

SG 14.5

Additional information [Optional]

Our approach to climate risks in our credit assessment largely relates to the commercial viability of businesses or sovereign economic models as low carbon transition evolves at a different pace by industry and region according to stakeholder demand trends and development stage. Our security selection process is aligned with the concept of identifying issuers with lower carbon footprint (or future prospect for such), but with similar yields as others as a form of insurance if / when the market starts to demand more compensation for relatively large carbon footprints. For issuers with larger footprints, we require sufficient spread premium for the risk bearing carbon tax costs or future stranded costs (e.g. due to potential regulatory action). We evaluate the magnitude of a spread premium based on an issuers current business model, the effectiveness and feasibility of its future operational goals, and management's commitment to those goals.

At PGIM Fixed Income our analysts perform in-depth bottom up fundamental research with a view towards long term sustainability. The Principles of the UN Global Compact and the UN Sustainable Development Goals are a part of the lens through which we analyse all issuers and industries. We measure all our companies (especially those who operate with higher carbon footprints) in terms of their long run business plans and we try to determine if those plans are credible and achievable. We measure their progress against their plans to determine if management is reliable. When we think about long run sustainability, we take into consideration the carbon footprint and whether or not a company's plans will ensure that they are a viable enterprise for the long run.

Climate risks and opportunities are one of the topics we address during engagements. For example, engagement on climate related issues is often discussed within our electric utilities and energy sectors. Our utilities analysts monitor carbon emissions, fuel mix, power generation, carbon targets, renewable targets among other metrics disclosed by the companies as well as third party research from MSCI or Sustainalytics. To the extent they have questions or need updates they engage with the issuers directly.

Most of the European power generating companies we cover invest in renewable power and therefore have growth targets for their renewable units and CO2 reduction targets. These are topics of discussion every time we meet. We also discuss their green bond frameworks and issuance plans since many issue green bonds to fund these renewable development plans.

For the energy sector, we discuss their migration to cleaner fuel like gas instead of oil, processes they have in place to reduce gas flaring, as well as their recycling water policy in the fracking process since it is water intensive. We also engage with pipeline issuers regarding their integrity spending on pipelines to reduce Methane leakage.

We look at a range of environmental metrics when analysing auto suppliers and manufacturers. We engage regularly on electric vehicle strategies and carbon reduction programmes. We have modelled in detail European OEMs progress towards their fleet CO2 targets and use these models to challenge management assumptions on electric vehicle uptake, diesel vs petrol fuel mix and improvements in conventional engines. We have also engaged in the past on responsible procurement of minerals used in EV batteries, specifically cobalt which is often mined in the Congo with little to no regard for workers' rights or environmental standards. We closely track the scope 1 and 2 emissions of all firms under our coverage and engage with firms on this, especially when their numbers are substantially different to peers.

Companies and countries adjust to climate risk based on the typically extended development pace within their specific environment by way of employing new energy sources, changing their product mix, adjusting their supply chains etc. As such a long-term quantitative assessment of these risks based on information we know today is not as valuable to us as our bottom up industry and issuer risk assessment and associated engagement.

Innovation

SG 18	Voluntary	Public	Descriptive	General
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SG 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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Yes

SG 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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After much planning in 2019 (and into 2020), we will soon be rolling out a proprietary ESG ratings framework. These ESG ratings will be one of the inputs into our internal fundamental ratings determined by our analysts, and subject to the same analytical rigour. Issuers' ESG ratings will be distributed on a points scale within the context of their respective peer groups, which in turn will have a group level ESG ratings (e.g. an industry rating for corporate issuers).

Analysts rate all bonds and loans including sovereign, corporate, municipal, and structured product to assess each issuer's alignment with our view of the broad ESG goals that are aligned with UN Principles for Responsible Investing, UN Global Compact, and the UN Sustainable Development Goals.

Our ratings scale ranges from 0 to 100 in increments of 5, with 100 being the best ESG rating. This wider rating range provides a single scale that allows us to distinguish across a wide range of issuers such as a country like Brazil, to a global energy provider like Exxon, to a structured CMBS or CLO product.

These ratings are not an assessment of an issuer's ability to repay debt and are differentiated from our proprietary credit ratings, however, ESG issues are already an input into our credit ratings process. Risk/return implications of ESG issues are already being considered when assessing the credit quality of an issuer.

No

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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SG 19.1	Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
----------------	---

Fixed income

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="radio"/> Broad approach to RI incorporation <input type="radio"/> Detailed explanation of RI incorporation strategy used	
Frequency	
<input type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested	
URL	
https://www.pgim.com/pgim-fixed-income/esg-investing	

SG 19.2 Additional information [Optional]

In 2019, the PGIM Fixed Income ESG Committee reviewed and revised our ESG policy and Committee charter.

PGIM Fixed Income

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

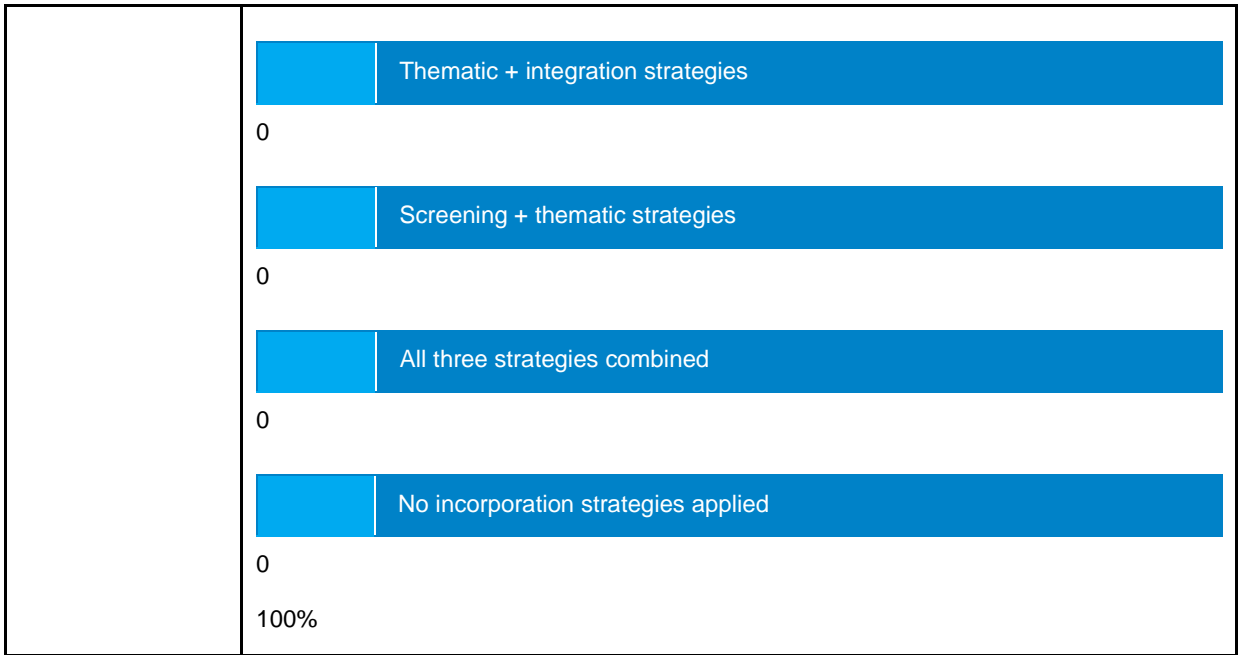
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ESG incorporation in actively managed fixed income

Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>100</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>0</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	0	Screening + integration strategies	100	Thematic + integration strategies	0	Screening + thematic strategies	0	All three strategies combined	0	No incorporation strategies applied	0
Strategy	Percentage																		
Screening alone	0																		
Thematic alone	0																		
Integration alone	0																		
Screening + integration strategies	100																		
Thematic + integration strategies	0																		
Screening + thematic strategies	0																		
All three strategies combined	0																		
No incorporation strategies applied	0																		
Corporate (financial)	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>100</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	0	Screening + integration strategies	100								
Strategy	Percentage																		
Screening alone	0																		
Thematic alone	0																		
Integration alone	0																		
Screening + integration strategies	100																		



Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0 100%
Securitized	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100

	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
		100%

FI 01.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

PGIM Fixed Income's goal is to consider relevant ESG factors in our investment process as we work towards achieving our ultimate fiduciary duty; searching for the highest risk adjusted returns for our clients. Within this context, we seek to demonstrate a solid corporate governance framework in our investment process as we aim to protect our clients' assets for the long-term.

ESG factor integration is primarily applied within the bottom-up part of the investment process when assessing the impact on individual securities under consideration. Our research analysts are experts in their respective industries and asset classes, and we believe they are best positioned to identify ESG issues and determine their materiality.

FI 01.3 Additional information [Optional].

Regarding the proportion of actively managed fixed income investments by strategy in response to question FI 01.1, we assess ESG risks and opportunities as an integral part of our credit research process and bottom-up investment process. In addition, we apply ESG screens in certain separately-managed mandates, based on client requirements, as agreed to in investment management agreements.

Currently, we anticipate launching three ESG funds whose guidelines will incorporate internal ESG ratings to develop an ESG-friendly product by screening issuers below a certain rating threshold.

FI 03	Mandatory	Public	Additional Assessed	PRI 1
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FI 03.1	Indicate how you ensure that your ESG research process is robust:
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- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify
- None of the above

FI 03.2	Describe how your ESG information or analysis is shared among your investment team.
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- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
Our ESG Committee meets to discuss any updates or changes to our approach.
- None of the above

FI 03.3	Additional information. [Optional]
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The PGIM Fixed Income ESG Committee has been established to act as the governing body for directing and overseeing PGIM Fixed Income's ESG-related activities, with specific responsibility for:

- Developing all policies and procedures that integrate ESG factors into the PGIM Fixed Income investment process, both generally and with respect to specific PGIM Fixed Income products
- Establishing the methodology for PGIM Fixed Income's internal ESG rating framework
- Overseeing the assignment of all ESG ratings
- Monitoring ESG-related engagement with individual issuers; and
- Establishing and maintaining guidelines for ESG-related funds managed by PGIM Fixed Income.

Our commitment to Responsible Investment at board level can be seen in the makeup of our ESG Committee which consists of senior executives and investment professionals. The committee is co-chaired by our CIO / Head of Fixed Income and Head of Global Investment Grade Credit Research. The Voting Members of the Committee include the Head of Credit, Chief Economist, and senior credit analysts from our Investment Grade, Emerging Markets, Leveraged Finance, Municipal, and Securitised Credit desks with representation from our Newark, London and Tokyo offices.

(A) Implementation: Screening				
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FI 04	Mandatory	Public	Gateway	PRI 1
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FI 04.1 Indicate the type of screening you conduct.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Positive/best-in-class screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Norms-based screening	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

FI 04.2 Describe your approach to screening for internally managed active fixed income

Given the regional diversity and sensitivities of PGIM Fixed Income global client base, many of our clients are keen for us to select credits across as broad a universe of investment opportunities as is appropriate for the strategy. We have adopted an approach and allow the use of SRI screens in each separately managed mandate based on client requirements in the investment management agreement.

FI 04.3 Additional information. [Optional]

In 2018, PGIM Fixed Income approved expanding the use of socially-responsible screening in the management of all of our UCITS funds. We have engaged a third-party agent, Sustainalytics, to screen for the ineligible SRI investments, and the list is updated every month.

Norm-based screening is also used in some of our pooled funds to filter companies that violate the United Nations Global Compact. An exclusion strategy is also applied to identify companies that are involved in certain prohibited industries (e.g. the manufacture of tobacco, or the production of nuclear or other controversial weapons including anti-personnel mines, cluster weapons, biological/chemical weapons, depleted uranium, nuclear weapons, and white phosphorus.)

FI 06 **Mandatory** **Public** **Core Assessed** **PRI 1**

FI 06.1 Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.

Type of screening	Checks
Negative/exclusionary screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
Norms-based screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

(C) Implementation: Integration

FI 10	Mandatory	Public	Descriptive	PRI 1
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FI 10.1	Describe your approach to integrating ESG into traditional financial analysis.
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As part of the credit research process, PGIM Fixed Income analysts review publicly-available ESG concerns as well as those expressed by a third party provider (Sustainalytics). When we deem appropriate, analysts engage with senior management of the issuer, requesting that they comment on any material ESG issues. It is important to note that unlike equity investors, fixed income investors do not benefit from having voting rights and therefore have limited leverage on management in that they do not have the ability to vote on issues including the selection of key management and pay issues.

The ESG concerns, as well as management's response to the comments (when applicable), are noted in our internal credit reports, which are made available to portfolio managers. These comments often influence portfolio managers decision making.

We have a five-step process which integrates ESG factors into our fundamental opinions:

1. Identifying material ESG issues that may have an impact on an issuer on an issuer and documenting those items into our internal research database, Aladdin® Research. This enables our analysts to monitor these issues over time and provide updates to the companies' progress in addressing them.
2. Our analysts will engage with issuers when we believe the potential ESG items highlighted are material. The objective here is to get a better understanding of how management will address these issues. Our opinion of management's credibility on ESG issues helps to inform our fundamental credit opinion.
3. Our analysts will document all material ESG issuers in a specific section within our in-depth credit research reports. Here, the analyst highlights the issues and explains how the issues are considered with respect to their fundamental credit opinions.
4. Our newest step is the pending launch of our internal proprietary ESG ratings. After considering potential ESG issues and our engagement with management, our analysts will be assigning an internal ESG ratings. We expect to launch these internal ratings later in 2020.

5. Our final step integrates the analysts and the portfolio managers. The portfolio managers maintain ESG relative value journals which capture all discussions between portfolio managers and analysts regarding ESG issues and our relative value opinion on those issues.

The senior portfolio managers then construct the portfolio along with the team of sector specialists and analysts. The portfolio management team reviews the research before deciding whether or not the issuer has any material ESG concerns. The portfolio managers also ensure that the issuer would not violate any guidelines of the portfolio (including any SRI screens or restrictions).

FI 10.2

Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.

SSA

An important focus of PGIM Fixed Income's sovereign research is on macroeconomic stability and debt sustainability. ESG issues feature prominently in this analysis and, in particular, the sovereign ratings process. In addition to a fundamental macroeconomic score that captures pertinent macroeconomic strengths and vulnerabilities, PGIM Fixed Income's sovereign ratings framework is also based upon a comprehensive assessment of qualitative aspects that guide policy making. These aspects include institutional strengths and weaknesses, potential governance issues, as well as social issues that could affect relevant macroeconomic variables.

We believe that any framework to assess ESG-related qualities needs to balance the objective of providing a comprehensive and consistent assessment with the challenges of data availability and reliability. Such constraints can quickly become binding when attempting to measure intangible variables, such as good governance or tolerance and social inclusiveness. At the same time, proper variable selection is critical to ensure that the rank sufficiently captures meaningful differences in ESG performance.

These considerations call for a systematic approach. PGIM Fixed Income has developed a proprietary index that provides an ESG-based ranking of countries, referred to as PGIM Fixed Income's ESG Rank. The index methodology closely follows the approach underlying the construction of PGIM Fixed Income's Fundamental Macro Rank (FMR). This rank compares macroeconomic strengths and vulnerabilities across different cohorts of countries.

For governance issues, we utilise the Worldwide Governance Indicators (WGI) which are widely recognised as a primary data source for governance issues. The World Bank collects these indices in collaboration with the Brookings Institution and the Natural Resource Governance Institute. Based on a large number of underlying variables, these indices provide country rankings for size categories, namely (i) voice and accountability; (ii) political stability and absence of violence; (iii) government effectiveness; (iv) regulatory quality; (v) rule of law; and (vi) control of corruption. Equally weighting these six sub-indices, we construct a headline index in order to arrive at country rank for governance issues.

Corporate (financial)

At PGIM Fixed Income our analysts perform in-depth bottom up fundamental research with a view towards long term sustainability. The Principles of the UN Global Compact and the UN Sustainable Development Goals are a part of the lens through which we analyse all issuers and industries. We measure all our companies (especially those who operate with higher carbon footprints) in terms of their long run business plans and we try to determine if those plans are credible and achievable. We measure their progress against their plans to determine if management is reliable. When we think about long run sustainability, we take into consideration the carbon footprint and whether or not a company's plans will ensure that they are a viable enterprise for the long run.

As part of the credit research process, PGIM Fixed Income analysts review publicly-available ESG concerns as well as those expressed by a third party provider (Sustainalytics). When we deem appropriate, analysts may engage with senior management of the issuer, requesting that they comment on any material ESG issues. The ESG concerns, as well as management's response to the comments (when applicable), are noted in our internal credit reports, which are made available to portfolio managers.

Governance is the most important ESG factor we consider for financials. Business ethics and corruption, bribery, fraud, accounting standards, and board: Independence, Diversity, Transparency, Experience, Leadership are all important ESG factors that we consider most material within the financial industry.

Corporate (non-financial)

At PGIM Fixed Income our analysts perform in-depth bottom up fundamental research with a view towards long term sustainability. The Principles of the UN Global Compact and the UN Sustainable Development Goals are a part of the lens through which we analyse all issuers and industries. We measure all our companies (especially those who operate with higher carbon footprints) in terms of their long run business plans and we try to determine if those plans are credible and achievable. We measure their progress against their plans to determine if management is reliable. When we think about long run sustainability, we take into consideration the carbon footprint and whether or not a company's plans will ensure that they are a viable enterprise for the long run.

As part of the credit research process, PGIM Fixed Income analysts review publicly-available ESG concerns as well as those expressed by a third party provider (Sustainalytics). When we deem appropriate, analysts may engage with senior management of the issuer, requesting that they comment on any material ESG issues.

Climate risks and opportunities are one of the topics we address during engagements. For example, engagement on climate related issues is often discussed within our electric utilities and energy sectors. Our utilities analysts monitor carbon emissions, fuel mix, power generation, carbon targets, renewable targets among other metrics disclosed by the companies as well as third party research from MSCI or Sustainalytics. To the extent they have questions or need updates they engage with the issuers directly.

The ESG concerns, as well as management's response to the comments (when applicable), are noted in our internal credit reports, which are made available to portfolio managers.

Securitized

In securitized products we have been assigning securities internal ESG ratings for some time, but recently have evolved the ESG ratings framework to align to a firmwide methodology which has just been finalised. The issues that inform the ESG ratings vary in consideration and can be sector specific.

Environmental considerations range from sponsors' compliance with environmental regulation to broad sustainability issues. We were a lead investor in Fannie Mae's first Green REMIC multifamily transaction, the proceeds of which were used to encourage apartment building owners to make energy and water-savings improvements; the outcome should be better quality housing with a lower environmental impact and positive cash flows.

Social considerations include lenders' origination and underwriting processes and servicing operations. Analysts assess potential regulatory and reputational risks associated with predatory lending laws, disparate impact rulings, and known Consumer Financial Protection Bureau points of emphasis.

Regarding governance, analysts meet with management, audit, legal, and compliance departments to understand oversight of credit underwriting, origination, and servicing practices. Rigorous transaction documentation review helps mitigate shortfalls in the governance of the securitisations themselves. Examples include identifying conflicts of interest between insiders (Trustees, Servicers, Rep and Warranty providers), identifying intercreditor issues (e.g. senior debt holder's protection against junior class encroachment), assessing the document's amendment process and transaction events of default, and ensuring dispute resolution mechanisms are documented and functional.

FI 10.3

Additional information [OPTIONAL]

FI 11	Mandatory	Public	Core Assessed	PRI 1
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FI 11.1	Indicate how ESG information is typically used as part of your investment process.
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Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust the internal credit assessments of issuers.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is integrated into portfolio weighting decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, specify in Additional Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 12	Mandatory	Public	Additional Assessed	PRI 1
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FI 12.1 Indicate the extent to which ESG issues are reviewed in your integration process.

	Environment	Social	Governance
SSA	<input checked="" type="checkbox"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<input checked="" type="checkbox"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input checked="" type="checkbox"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Securitised	<input checked="" type="checkbox"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

FI 12.2 Please provide more detail on how you review E, S and/or G factors in your integration process.

SSA

An important focus of PGIM Fixed Income's sovereign research is on macroeconomic stability and debt sustainability. ESG issues feature prominently in this analysis and, in particular, the sovereign ratings process. In addition to a fundamental macroeconomic score that captures pertinent macroeconomic strengths and vulnerabilities, PGIM Fixed Income's sovereign ratings framework is also based upon a comprehensive assessment of qualitative aspects that guide policy making. These aspects include institutional strengths and weaknesses, potential governance issues, as well as social issues that could affect relevant macroeconomic variables.

We believe that any framework to assess ESG-related qualities needs to balance the objective of providing a comprehensive and consistent assessment with the challenges of data availability and reliability. Such constraints can quickly become binding when attempting to measure intangible variables, such as good governance or tolerance and social inclusiveness. At the same time, proper variable selection is critical to ensure that the rank sufficiently captures meaningful differences in ESG performance.

These considerations call for a systematic approach. PGIM Fixed Income has developed a proprietary index that provides an ESG-based ranking of countries, referred to as PGIM Fixed Income's ESG Rank. The index methodology closely follows the approach underlying the construction of PGIM Fixed Income's Fundamental Macro Rank (FMR). This rank compares macroeconomic strengths and vulnerabilities across different cohorts of countries

For governance issues, we utilise the Worldwide Governance Indicators (WGI) which are widely recognised as a primary data source for governance issues. The World Bank collects these indices in collaboration with the Brookings Institution and the Natural Resource Governance Institute. Based on a large number of underlying variables, these indices provide country rankings for size categories, namely (i) voice and accountability; (ii) political stability and absence of violence; (iii) government effectiveness; (iv) regulatory quality; (v) rule of law; and (vi) control of corruption. Equally weighting these six sub-indices, we construct a headline index in order to arrive at country rank for governance issues.

Corporate (financial)

Our investment process begins with the senior investment team assessing the global market environment. This includes the review of any ESG issues by our credit research analysts or global economists. The majority of our ESG analysis would be conducted at this stage. While we conduct our own ESG research, our credit research team and economists also utilise third-party ESG research.

With respect to corporate credit research, we have a five-step process which integrates ESG factors into our fundamental opinions.

1. Identifying material ESG issues that may have an impact on an issuer and documenting those items into our internal research database, Aladdin® Research. This enables our analysts to monitor these issues over time and provide updates to the companies' progress in addressing them.
2. Our analysts will engage with issuers when we believe the potential ESG items highlighted are material. The objective here is to get a better understanding of how management will address these issues. Our opinion of management's credibility on ESG issues helps to inform our fundamental credit opinion.
3. Our analysts will document all material ESG issues in a specific section within our in-depth credit research reports. Here, the analyst highlights the issues and explains how the issues are considered with respect to their fundamental credit opinions.
4. Our newest step is the pending launch of our internal proprietary ESG ratings. After considering potential ESG issues and our engagement with management, our analysts will be assigning an internal ESG ratings. We expect to launch these internal ratings later in 2020.
5. Our final step integrates the analysts and the portfolio managers. The portfolio managers maintain ESG relative value journals which capture all discussions between portfolio managers and analysts regarding ESG issues and our relative value opinion on those issues.

The senior portfolio managers then construct the portfolio along with the team of sector specialists and analysts. The portfolio management team reviews the research before deciding whether or not the issuer has any material ESG concerns. The portfolio managers also ensure that the issuer would not violate any guidelines of the portfolio (including any SRI screens or restrictions).

Portfolio managers and risk managers oversee risk positioning daily, which includes the review of any material ESG issues that would either cause the portfolio to exceed its risk budget or result in a violation of ESG restrictions.

Main Corporate (Financial) ESG Broad Factors for Consideration

Governance

- Board: Independence, Diversity, Transparency, Experience, Leadership
- Global Compact Signatory
- ESG Reporting: Disclosure, Performance Targets
- Financial Reporting: Disclosure, Timeliness, Transparency
- Incidents: Business Ethics, Governance, Accounting, Tax, Bribery, etc.

Our investment process begins with the senior investment team assessing the global market environment. This includes the review of any ESG issues by our credit research analysts or global economists. The majority of our ESG analysis would be conducted at this stage. While we conduct our own ESG research, our credit research team and economists also utilise third-party ESG research models.

With respect to corporate credit research, we have a five-step process which integrates ESG factors into our fundamental opinions.

1. Identifying material ESG issues that may have an impact on an issuer and documenting those items into our internal research database, Aladdin® Research. This enables our analysts to monitor these issues over time and provide updates to the companies' progress in addressing them.
2. Our analysts will engage with issuers when we believe the potential ESG items highlighted are material. The objective here is to get a better understanding of how management will address these issues. Our opinion of management's credibility on ESG issues helps to inform our fundamental credit opinion.
3. Our analysts will document all material ESG issuers in a specific section within our in-depth credit research reports. Here, the analyst highlights the issues and explains how the issues are considered with respect to their fundamental credit opinions.
4. Our newest step is the pending launch of our internal proprietary ESG ratings. After considering potential ESG issues and our engagement with management, our analysts will be assigning an internal ESG ratings. We expect to launch these internal ratings later in 2020.
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Portfolio managers and risk managers oversee risk positioning daily, which includes the review of any material ESG issues that would either cause the portfolio to exceed its risk budget or result in a violation of ESG restrictions.

ESG Broad Factors for Consideration

Environmental

- Overall Environmental Policies
- Greenhouse Gas (GHG) Reduction Program, Reporting & Trend
- Water and Wastewater Management Programs
- Energy Efficiency and Renewable Energy Programs
- Waste & Hazardous Materials Program
- Environmental Fines & Penalties

Social

- Human Rights Policies
- Working Conditions & Employee Incidents
- Supply Chain Monitoring
- Diversity and Inclusion Programmes
- Data Security & Privacy Breaches
- Product Safety and Consumer Protections

Governance

- Board: Independence, Diversity, Transparency, Experience, Leadership
- Global Compact Signatory
- ESG Reporting: Disclosure, Performance Targets
- Financial Reporting: Disclosure, Timeliness, Transparency
- Incidents: Business Ethics, Governance, Accounting, Tax, Bribery, etc.

Securitised

In securitised credit, the issues that inform the ESG ratings vary in consideration and can be asset class specific.

Environmental considerations range from Sponsor's compliance with environmental regulation to broad sustainability issues. We were a lead investor in Fannie Mae's first Green REMIC multifamily transaction, the proceeds of which were used to encourage apartment building owners to make energy and water-savings improvements; the outcome should be better quality housing with a lower environmental impact and positive cash flows.

Social considerations include lenders' origination and underwriting processes and servicing operations. Analysts assess if the issuer's operational practices increases the lender's exposure to regulatory and/or reputational risks associated with predatory lending laws, disparate impact rulings, and known Consumer Financial Protection Bureau points of emphasis.

Regarding governance, analysts meet with management, audit, legal, and compliance departments to understand oversight of credit underwriting, origination, and servicing practices. Rigorous transaction documentation review helps mitigate shortfalls in the governance of the securitisations themselves. Examples include identifying conflicts of interest between insiders (Trustees, Servicers, Rep and Warranty providers), identifying intercreditor issues (e.g. senior debt holder's protection against junior class encroachment), assessing the document's amendment process and transaction events of default, and ensuring dispute resolution mechanisms are documented and functional.

External Resources

PGIM Fixed Income maintains a partnership with an external vendor, Sustainalytics, a "global leader in ESG & Corporate Governance Research & Ratings" to enhance its ESG review process.

Fixed income - Engagement

FI 14	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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FI 14.1	Indicate the proportion of your fixed income assets on which you engage. Please exclude any engagements carried out solely in your capacity as a shareholder.
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Category	Proportion of assets
SSA	<p> <input type="radio"/> >50% <input checked="" type="radio"/> 26-50% <input type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% </p> <div style="background-color: #0070C0; color: white; padding: 5px;"> FI 14.2 Indicate your motivations for conducting engagement (SSA fixed income assets). </div> <p> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue </p>
Corporate (financial)	<p> <input type="radio"/> >50% <input checked="" type="radio"/> 26-50% <input type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% </p> <div style="background-color: #0070C0; color: white; padding: 5px;"> FI 14.2 Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets) </div> <p> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue </p>
Corporate (non-financial)	<p> <input type="radio"/> >50% <input checked="" type="radio"/> 26-50% <input type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% </p> <div style="background-color: #0070C0; color: white; padding: 5px;"> FI 14.2 Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets) </div> <p> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue </p>
Securitized	<p> <input type="radio"/> >50% <input checked="" type="radio"/> 26-50% <input type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% </p> <div style="background-color: #0070C0; color: white; padding: 5px;"> FI 14.2 Indicate your motivations for conducting engagement (Securitized fixed income assets). </div> <p> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure </p>

	<input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue
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FI 15	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

FI 15.1	Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)
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Select all that apply

Type of engagement	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Individual/Internal staff engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Service provider engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.2	Indicate how your organisation prioritises engagements with issuers.
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Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Size of holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Credit quality of the issuer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Duration of holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Quality of transparency on ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Specific markets and/or sectors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Specific ESG themes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Issuers in the lowest ranks of ESG benchmarks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Issuers in the highest ranks of ESG benchmarks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Specific issues considered priorities for the investor based on input from clients and beneficiaries	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.3

Indicate when your organisation conducts engagements with issuers.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
We engage pre-investment.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage post-investment.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage proactively in anticipation of specific ESG risks and/or opportunities.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage in reaction to ESG issues that have already affected the issuer.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage prior to ESG-related divestments.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.4

Indicate what your organisation conducts engagements with issuers on.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
We engage on ESG risks and opportunities affecting a specific bond issuer or its issuer.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage on ESG risks and opportunities affecting the entire industry or region that the issuer belongs to.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage on specific ESG themes across issuers and industries (e.g., human rights).	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.5

Indicate how your organisation ensures that information and insights collected through engagement can feed into the investment decision-making process.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Ensuring regular cross-team meetings and presentations.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sharing engagement data across platforms that is accessible to ESG and investment teams.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Encouraging ESG and investment teams to join engagement meetings and roadshows.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Delegating some engagement dialogue to portfolio managers/credit analysts.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Involving portfolio managers when defining an engagement programme and developing engagement decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Establishing mechanisms to rebalance portfolio holdings based on levels of interaction and outcomes of engagements.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Considering active ownership as a mechanism to assess potential future investments.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We do not ensure that information and insights collected through engagement can feed into the investment decision-making process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 16	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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FI 16.1 Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.

Yes

FI 16.2 Please attach or provide a URL to your fixed income engagement policy document. [Optional]

URL

<https://www.pgim.com/wps/wcm/connect/ad122a14-ca3a-4cc9-a2ff-7d8e1e4be6e3/PGIM+-Policy+Statement.pdf?MOD=AJPERES&CVID=IZTQCup>

No

Our ESG Policy includes an explanation of our approach to engagement.

PGIM Fixed Income

Reported Information

Public version

Confidence building measures

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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CM1 01.1 Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
 - Whole PRI Transparency Report has been internally verified
 - Selected data has been internally verified
- Other, specify
Our processes provided as part of this report are reviewed quarterly by the PGIM Fixed Income ESG Committee.
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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CM1 02.1 We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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CM1 03.1 We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
The PGIM Fixed Income ESG Committee, Compliance, and Legal departments have reviewed the report prior to submission.
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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CM1 04.1

Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM1 07

Mandatory

Public

Descriptive

General

CM1 07.1

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

Who has conducted the verification

- CEO or other Chief-Level staff
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)