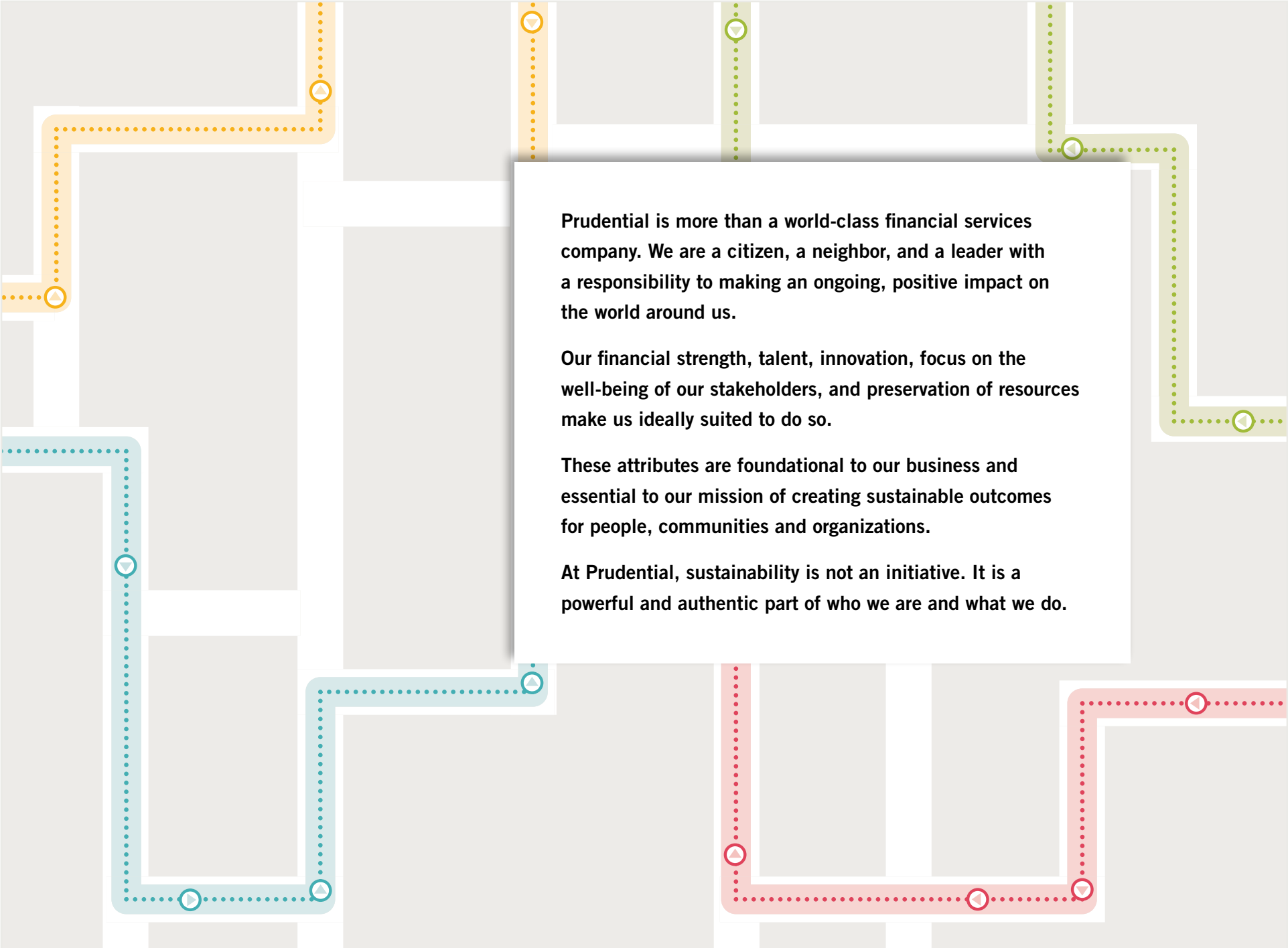


POWERING AMBITIONS



Prudential Financial, Inc.
2014 Sustainability Report





Prudential is more than a world-class financial services company. We are a citizen, a neighbor, and a leader with a responsibility to making an ongoing, positive impact on the world around us.

Our financial strength, talent, innovation, focus on the well-being of our stakeholders, and preservation of resources make us ideally suited to do so.

These attributes are foundational to our business and essential to our mission of creating sustainable outcomes for people, communities and organizations.

At Prudential, sustainability is not an initiative. It is a powerful and authentic part of who we are and what we do.



Sustainability at Prudential

Build, Preserve. Repeat.

We combine powerful capabilities to create sustainable outcomes for people, communities and organizations.

POWER BASE

Our financial strength springs from time-tested, highly effective disciplines.

- Good governance performance with integrity.
- Responsible investing keeps assets working for our clients.
- Managing risk and reward drives all our decisions.
- Balancing short- and long-term returns rooted in our company's values.

TALENT CENTRIC

Our industry-best workforce helps us meet the objectives of our clients and our business.

- Diverse and inclusive workforce reflects the world we do business in.
- Career development helps employees reach higher.
- Work life effectiveness helping balance both worlds.
- Ethical culture reinforces honesty and transparency.

INVENTIVE MIND

We build smarter solutions and ways of doing business.

- Product innovation delivers intelligent responses to client needs.
- Client focus creates relationships not transactions.
- Elevating behavioral finance awareness of this powerful tool.
- Growing financial wellness multiple paths for everyone.

A GREATER GOOD

We drive progress in our communities.

- Eliminating barriers to financial and social mobility for all.
- Engaging stakeholders strengthens understanding and opportunities.
- Creating mutual benefits supports our partners and companies.
- Environmental consciousness minimizes our impact on resources.

To learn more and to download our latest Sustainability Report, visit prudential.com/sustainability

Table of Contents:



Message from the Chairman	5	 Talent and Culture Path	23
Message from the Board of Directors	6	Talent and Leadership	
About Prudential Financial, Inc.	7	Employee Engagement	
 Sustainability at Prudential	9	Training and Development	
Accountability for Sustainability		Diversity and Inclusion	
About This Report		Veterans Initiative	
Reporting Guidelines		Health, Wellness, and Work/Life Effectiveness	
Limitations in Scope		Ethical Culture Begins with Accountability	
 Financial Path	13	A Commitment to Integrity	
Systemic Importance		Assessing Prudential's Ethical Culture	
Governing Responsively and Responsibly		Shaping Culture through Compliance	
Director Criteria, Qualifications, Experience, and Tenure			
Aligning with Long-Term Shareholder Interests		 Social Path	30
Responsible Investment		Eliminating Barriers	
Managing Risk and Reward		Relationship with the Environment	
The Results: Balancing Short- and Long-Term Value Creation		Recognition and Significant Awards 2014	37
Annual Performance Highlights		Global Reporting Initiative Index	38
Financial Strength			
 Customer Path	20		
Responsible Innovation			
Elevating Behavioral Finance			
Growing Financial Wellness			
Deepening Understanding with Thought Leadership			
Relationships, Not Transactions			

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Message from the Chairman



John Strangfeld

Chairman and
Chief Executive Officer

At Prudential Financial, we use “sustainability” in its literal sense, describing how we create enduring value to sustain the company. We focus on maintaining strong momentum today while investing wisely in a vital future.

Having this long and broad view is crucial to achieving Prudential’s mission. Powering the ambitions of people, organizations and communities requires that the company prepare for future business challenges that include environmental, governance and societal issues. Our 2014 Integrated Sustainability Report shows how the firm is operating now in order to fulfill our long-term promises.

In 2014, Prudential delivered another solid performance with strong results from our businesses and corporate functions in each of our four paths to sustainability. Highlights include:

Financial: Financial strength, capital flexibility, our mix of high-quality businesses and strong execution allowed the company to exceed our long-term target range of 13 – 14 percent return on equity.

Customer: We created the positions of Chief Customer Officer and Chief Privacy Officer to deliver consistent, valuable customer experiences and relationships for all Prudential clients.

Talent and Culture: Our talent and culture will be the most important factors in our long-term success. Diversity and inclusion are emphasized in every part of the company. We continued our work to help U.S. military Veterans transition to success in the corporate world, opening a center in El Paso, TX to provide meaningful training and employment to Veterans and their family members.

Social: We implemented a new global Strategy for Corporate Social Responsibility, leveraging company resources to develop solutions that will help the underserved achieve economic security.

The investments we are making in our people, businesses and communities will enable us to deliver value over the long term to our customers, investors and stakeholders. We look forward to ongoing productive dialogue and your feedback.

A handwritten signature in black ink, appearing to read "John Strangfeld", written in a cursive style.

Message from the Board of Directors



Gilbert F. Casellas

Director and Chair,
Corporate Governance
and Business Ethics
Committee

As stewards of Prudential, the Board directs and oversees management in long-term value creation. Sustainability is entrenched in the principles that guide us, and is among the skills that should be, and are, represented on the Board.

We focus our attention on preparing for changes in the environment in which the company will operate. Our work is informed by Prudential's proactive engagement with stakeholders, including investors. During 2014 and early 2015, this feedback and dialogue resulted in significant changes to our governance:

- Intelligent risk taking and risk mitigation are an intrinsic part of Prudential's businesses. Board members oversee setting standards for managing and monitoring risks. In February 2015, the Board established a Risk Committee to better coordinate the risk oversight functions of each Board Committee.

- Also in early 2015, the Board instituted a number of changes to Prudential's executive compensation program, including extending the clawback policy and reducing potential discretion in determining annual incentive awards for Named Executive Officers.

- In line with our beliefs about shareholders' rights, we proactively adopted proxy access in early 2015.

During Prudential's 140th year, the company's new Corporate Social Responsibility strategy reaffirmed Prudential's founding premise – that everyone should be able to achieve a measure of financial security. We are proud that Prudential's long-standing commitment was recognized by the Civic 50, an initiative that acknowledges America's most community-minded companies.

We hope you find this document informative and welcome your feedback.



About Prudential Financial, Inc.

Organizational Profile

NYSE: PRU

Headquarters: Newark, NJ

www.prudential.com

Mission

Power the ambitions of people, organizations and communities

Core Values

How we conduct our business is just as important as what we do. Our core values are the principles that guide us daily. At all times, we strive to distinguish Prudential as an admired multinational financial services leader and trusted brand that is differentiated by top talent and innovative solutions for all stages of life.

- i. Worthy of Trust
- ii. Customer Focused
- iii. Respect for Each Other
- iv. Winning with Integrity



Highlights (as of December 31, 2014)

- \$1.187 trillion of assets under management*
- Approximately \$3.5 trillion gross life insurance in force worldwide
- Serving institutional and individual customers in more than 40 countries
- Approximately 48,000 employees and sales associates worldwide

*As of June 30, 2015.

Prudential conducts its principal businesses through three divisions:

1. The U.S. Retirement Solutions and Investment Management Division
 - a. Asset management – Offers a broad array of investment management and advisory services by means of institutional portfolio management, retail funds management, private lending and asset securitization activity, and other structured products.
 - b. Individual annuities – Manufactures and distributes individual variable and fixed annuity products.
 - c. Retirement – Provides retirement investment and income products and services to public, private and not-for-profit organizations.

2. The U.S. Individual Life and Group Insurance Division
 - a. Individual life – Manufactures and distributes individual variable life, term life, and universal life insurance products.
 - b. Group Insurance – Manufactures and distributes a full range of group life, long-term and short-term disability, and group corporate bank- and trust-owned life insurance primarily to institutional clients for use in connection with employee and membership benefits plans.
3. The International Insurance Division – Manufactures and distributes individual life insurance, retirement and related products.

Prudential also conducts other activities in its Corporate and Other operations.



FAST FACTS

Company Ownership as of December 31, 2014

- 454,833,477 shares outstanding
- 1,513,336 registered holders
- 14% owned by banks/brokers/retail operations
- 21% owned by registered non-institutional holders
- 65% owned by institutions

Countries of Operation

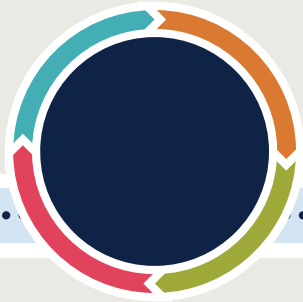


COUNTRIES OF OPERATION (LOCATION OF EMPLOYEES)

North America	U.S. (including Guam), Mexico
Asia & Australia	Australia, China (Hong Kong), India, Japan, Malaysia, Singapore, South Korea, Taiwan
South America	Argentina, Brazil
Europe & Middle East	France, Germany, Ireland, Israel, Italy, Luxembourg, Poland, Portugal, United Kingdom

LOCATIONS OF INDIVIDUAL AND INSTITUTIONAL CLIENTS INCLUDE:

North America	U.S. (including Guam), Bahamas, Bermuda, Canada, Cayman Islands, Mexico
Asia & Australia	Australia, China (including Hong Kong), India, Indonesia, Japan, Singapore, South Korea, Taiwan
South America	Argentina, Brazil, Chile
Europe & Middle East	Austria, Bahrain, Belgium, Denmark, France, Germany, Ireland, Italy, Kuwait, Luxembourg, Netherlands, Norway, Oman, Portugal, Qatar, Saudi Arabia, Sweden, Switzerland, United Arab Emirates, United Kingdom (including Guernsey and Scotland)



Sustainability at Prudential

“Prudential’s focus on sustainability allows our customers, investors and neighbors to create their own long-term value and achieve their goals.”

Mark Grier, Vice Chairman and Executive Sponsor, Sustainability

At Prudential, the term “sustainability” describes how the company anticipates and manages future risks and opportunities to meet its long-term obligations. [Prudential’s sustainable value creation road map](#) shows the company’s four paths to continued vitality.

As a Ceres Network Company, Prudential has the opportunity to request feedback on developments related to sustainability. Ceres is a nonprofit organization and advocate for sustainability leadership that mobilizes a network of investors,

companies and public interest groups to build a sustainable global economy. Following a review on the report, Ceres provided recommendations on the following topics: materiality analysis, sustainability performance, stakeholder feedback, integrating ESG and employee engagement. The company will use this feedback to inform next year’s report. Here is a summary of recommendations, with the company’s response.

Recommendation	Status	Response
Long-termism: The Model demonstrates that sustainability is inherently compatible with Prudential’s business. The company could consider opportunities to include long-termism in goals, Key Performance Indicators, investor communications and compensation.	Continuing	Prudential’s 2014 Annual Report and 2015 Proxy Statement include more explicit statements about sustainable value creation and its relationship to the company’s operations.
Risk management: The Model should define a risk management process that explicitly considers environmental and social factors as a part of risk assessment decision making across the enterprise.	Continuing	Social and environmental risk factors are integrated into business risk assessments as they are material to the businesses. Enterprise Risk Management executives are active participants in Prudential’s Sustainability Council and its Environmental Task Force.
Responsible investment: The Model should include a vision to ensure that all of Prudential’s investments are managed in a responsible manner, for instance, through the articulation of a sustainable investing policy. Additionally, the company should consider opportunities to scale its “green” investments.	Under consideration and under way	As a non-bank Systemically Important Financial Institution, the company is in constructive discussion with the Board of Governors of the Federal Reserve System about various regulatory requirements that could affect its investing. Prudential’s investments in infrastructure, renewable energy, “green” real estate and green bonds continue to grow.
Product innovation: The Model could set goals to grow revenues through Prudential’s Environment, Social and Governance product suite. The objective is for Prudential to incorporate sustainability considerations across the entirety of its product and service suite in the medium- to long-term.	Under way	In 2014, special focus has been given to integrating philanthropic programs removing barriers to financial mobility with corporate and commercial activities that improve financial literacy and financial wellness.



Recommendation	Status	Response
Employees: The framework should include formal plans to train and engage employees on sustainability.	Under way	Engaging “sustainability ambassadors” is a goal of a collaboration between the Sustainability team and Prudential’s internal communications group.
Operations: The model should consider setting a new greenhouse gas reduction target that is absolute, long-term and aligned with science.	In development	As of the writing of this report, the Environmental Task Force is working on an updated firm-wide Environmental Commitment.
Implementation: Prudential should put in place a strong implementation mechanism to ensure that the mission and themes laid out in the Model are translated into day-to-day practice. This will help the company achieve its performance expectation that “every employee will seek to create long-term sustainable value.”	Under way	As indicated by the metrics included in this report, implementing the strategies and tactics tied to long-term value creation are well under way in the firm. An infographic outlines the formal accountability structure for overall sustainability.



Stakeholders

Proactive stakeholder engagement informs Prudential’s sustainability journey. Stakeholder relationships reflect the company’s historical and current business practices and emerging forms of engagement. In general terms, Prudential’s stakeholders include:

- Shareholders and other investors
- Customers, both individual and institutional
- Employees and retirees
- Independent financial advisors and intermediaries
- Community leaders and neighbors
- National and local government officials located in the U.S. and abroad
- International, U.S. state, and federal regulators
- Suppliers, vendors and business partners
- Thought leaders and advocates in issue areas related to financial services



ACCOUNTABILITY FOR SUSTAINABILITY

Long-term value creation is overseen by Prudential's Board of Directors, led by Prudential's senior leaders. The following chart shows the relationships between the individuals involved and the titles of those directly responsible.

Board of Directors, Corporate Governance and Business Ethics Committee

Senior Management Council, including Sustainability Executive Sponsor, Prudential's Vice Chairman; Prudential's Chief Governance Officer

Vice President, Corporate Governance

Advised by Sustainability Council Members:

- Vice President, Finance, Prudential Investment Management
- Vice President, Treasury
- Vice President, Health, Life and Inclusion
- Vice President, Chief of Staff, U.S. Businesses
- Vice President, Information Systems
- Vice President, Project Management Risk Management Organization
- Vice President, Chief of Staff, Chief Investment Officer
- Vice President, Corporate Counsel
- Vice President and Actuary
- Vice President, Human Resources, International Businesses

On a daily basis, Prudential's global performance competencies expect every employee to seek to create long-term sustainable value.

ABOUT THIS REPORT

This is Prudential's annual consolidated Sustainability Report, covering the period, January 1 – December 31, 2014. As appropriate, significant developments occurring in early 2015 may be referenced to be more fully developed in subsequent reports.

The Report addresses the parent company and wholly owned subsidiaries, comprising U.S. and international subsidiaries' operations. The report reflects no material changes from the previous period in boundaries.

REPORTING GUIDELINES

The Global Reporting Initiative (GRI) has created the most widely accepted framework for sustainability reporting. This document follows the GRI's 4.0 Application guidelines for a "core" report. It also includes aspects of the Financial Services Sector Supplement and refers to the Sustainability Accounting Standards Board's provisional guidelines for insurance companies. The overall Sustainable Value Creation Road Map reflects the International Integrated Reporting Committee's reporting framework.

The preparation of this report considered all GRI Principles for sustainability reporting, including guidelines for Content and Defining Report Quality. The process for defining content and boundaries reflects the company's previous reporting practices, feedback from stakeholders and discussions with internal subject-matter experts.

Based on [Prudential's sustainable value creation road map](#) and a materiality analysis performed by staff, the following aspects were identified as material for the full organization, as defined above.

- Economic Performance
- Environmental
- Social: Labor Practices
- Social: Society
- Social: Product Responsibility

LIMITATIONS IN SCOPE

Certain data points are framed in order to be consistent with Prudential's external reporting practices or previously reported sustainability data. These include:

- Talent and Culture Path, The Market and Community Pillars of Diversity and Inclusion, and Health, Wellness and Work/Life refer to U.S. operations only. Breakdowns of employee populations are arrayed to be consistent with previous reports
- Social Path: Environment: Performance: Refers to U.S. operations only

Prior to release, the Sustainability Report is reviewed by Prudential executives representing all the company's businesses and corporate center functions, including law, governance, ethics and compliance, regulatory reporting and financial management.





Financial Path

“We are committed to sustaining a level of performance that distinguishes Prudential from our peers. We are confident that strengths that have served us well in the past will enable us to succeed in the long term.”

John Strangfeld, Chairman and CEO

Powering the financial ambitions of Prudential's customers and investors relies on the company's ability to achieve strong annual and long-term performance. Prudential's yearly results are accomplished by maintaining a strategic mix of high-quality businesses, managing risks appropriately and deploying capital efficiently.

Over time, the company sustains its financial health by:

- Governing responsibly and responsibly
- Responsible investment
- Managing risk and reward
- Balancing short- and long-term value creation

FAST FACT

In 2014, members of Prudential's Board of Directors and its senior leadership team engaged with investors owning a majority of the company's outstanding shares.

SYSTEMIC IMPORTANCE

In 2013, the U.S. Financial Stability Oversight Council named Prudential a “Systemically Important Financial Institution.” As a result, Prudential is now supervised by the Board of Governors of the Federal Reserve System.

Since the designation, company executives have been participating in productive discussion with staff of the Federal Reserve Board to help them better understand Prudential. Topics have included the important differences between insurance companies and banks and Prudential's first Resolution Plan, submitted in June 2014.

“The Board's objective is to achieve sustainable operating and financial performance with integrity to deliver long-term value for our shareholders.”

Karl Krapek, Lead Independent Director in his 2015 Proxy Statement video letter

In 2013, Prudential was also designated a “Global Systemically Important Insurer” by the Financial Stability Board. Company executives are engaged at the global and domestic levels in the development of standards that benefit consumers and preserve competition within the industry.

GOVERNING RESPONSIVELY AND RESPONSIBLY

During 2014, Prudential's Board of Directors focused extensively on preparing for changes in the environment in which the company operates. Guided by Governance Principles, and informed by extensive stakeholder engagement, the Board made significant changes in company programs and in its own policies:

- In early 2015, the Board extended Prudential's clawback policy to cover all incentive-based awards, in the case of material financial restatements and misconduct, and included a robust disclosure policy.
- The Board increased CEO stock ownership guidelines and significantly reduced potential discretion in determining annual incentive awards for Named Executive Officers.
- Also in early 2015, the Board proactively adopted proxy access, allowing investors to more easily nominate directors to Prudential's Board.

Along with shareholder engagement, the Board oversees business strategies, talent management and succession, executive compensation and risk management.

In early 2015, the Board established its own Risk Committee, comprised of the chairs of other Board committees. The Committee's role is to more closely coordinate the risk oversight functions of each Board committee.



Director Criteria, Qualifications, Experience and Tenure

Prudential's unique mix of businesses is international and multicultural. Diversity – in all its dimensions – is a priority for Prudential's Board.

The Corporate Governance and Business Ethics Committee (CGBEC) annually assesses the skills and experiences needed to properly oversee Prudential. The Committee reviews the company's short- and long-term strategies to determine the current and future skills needed for oversight.

CGBEC members actively consider diversity in race and gender in recruitment and nominations of directors.

- 2 Directors have worked outside the United States
- 1 Director is African-American
- 1 Director is Asian-American
- 1 Director is Hispanic
- 4* Directors are women

*As of July 1, 2015.

CGBEC members practice a long-term approach to board refreshment. During engagement sessions, shareholders are routinely asked for input regarding director recommendations. The Committee also has the assistance of an independent search firm.

Since 2010, three new directors have joined the Board. It is anticipated that during the next three years, the Board will recruit new directors as three long tenured directors leave the Board.

Board Tenure
5 Directors: 10+ Years
5 Directors: 5-9 Years
1 Director: 1-5 Years
1 Director: Less than 1 Year*

*As of July 1, 2015.

Skills and Qualifications

CGBEC members expect each of the company's directors to have proven leadership skills, sound judgment, integrity and a commitment to the success of Prudential. In addition, CGBEC members look for current and potential directors to collectively have a mix of skills and qualifications, some of which are described below:

- academia/education
- corporate governance
- financial services industry
- marketing/sales
- business ethics
- environment/sustainability/corporate responsibility
- government/public policy
- real estate
- business head/administration
- finance/capital allocation
- insurance industry
- risk management
- business operations
- financial expertise/literacy
- international
- talent management
- investments
- technology/systems

More information about Prudential's Board members, including biographies, qualifications and experience, can be found on [Prudential's Governance website](#).



Aligning with Long-term Shareholder Interests

Prudential's Board supports the adoption of governance best practices in its Principles and in the policies it adopts. With a focus on the long-term interests of the company's investors, directors have supported the following:

Supported by Directors	Yes/No
Conflict of Interest Policy	Yes
Executive and Director stock ownership guidelines	Yes
Annual equity grant to non-employee Directors	Yes
Annual advisory "Say on Pay" vote on executive compensation	Yes
Poison Pill	No
Management Succession Planning	Yes
Independent Compensation Consultant retained directly by the Compensation Committee	Yes
Executive Compensation policies and practices tied to long-term shareholder value	Yes
Executive Compensation Clawback	Yes
Shareholder Threshold to call special meeting (percentage)	10%
Proxy Access:	A shareholder or a group of up to 20 shareholders who own 3% or more of the company's outstanding shares continuously for at least three years may nominate directors constituting up to 20% of the board.

Communicating with the Board: independentdirectors@prudential.com

RESPONSIBLE INVESTMENT

FAST FACTS

- Assets under management as of June 30, 2015 – \$1.187 trillion
- Assets under management as of June 30, 2014 – \$1.166 trillion

As a leading multinational manager of financial assets, Prudential's investment decisions can affect individuals, businesses and economies across the globe.

The company's investment teams are charged with managing client funds and those of Prudential. Their goal: to create superior risk-adjusted returns that meet customers' needs and provide capital for Prudential's long-term growth.

As investment fiduciaries, Prudential and Prudential Investment Management follow client guidelines for their portfolios. In investment due diligence reviews, staff considers environmental, social and governance risks and opportunities as they may be material in an asset class or particular deal.



Rapid urbanization, especially in developing nations, is an important social trend with implications for investors. In early 2015, Prudential Investment Management released a seminal white paper and video: *The Wealth of Cities*.

"Part of our job as advisors is to provide a broader lens on underreported trends that may drive long-term value," said David Hunt, Chief Executive Officer, Prudential Investment Management. The report focuses on four major investable themes: real estate, consumer goods and services, evolving agricultural supply chain, and urban infrastructure.



Infrastructure

Urbanization is expected to increase global infrastructure needs to more than \$50 trillion by 2030. Heavy spending will be required in both developed and developing countries.

Prudential's Chief Investment Officer, Scott Sleyster, has been a leading voice in supporting policies that encourage private infrastructure investment. Working with the Organization for Economic Cooperation and Development (OECD) and the G20, Sleyster has advocated for the long-term investment needed for urban economies to thrive.

"Prudential is committed to being part of the solution to the infrastructure investment challenge. Long-term investments, such as infrastructure, align well to life insurers' long-term business profile," said Sleyster. Prudential's infrastructure investments – of both client and proprietary assets – are extensive. As of December 31, 2014, Prudential's investments in infrastructure totaled more than \$20 billion.

Infrastructure Investments

Some of Prudential's investments have supported infrastructure efforts like:

- Energy
- Water/wastewater
- Bus/rails
- Ports
- Airports
- Bridges
- Hospitals
- Schools
- Libraries



Prudential executives have discussed and supported facilitating greater infrastructure investments at significant international forums. These events have included:

Institute for International Finance Meeting with the G20 under the Australian Presidency – February 2014, Sydney.

Scott Sleyster represented the insurance industry on a panel that discussed infrastructure investing.

Institute for International Finance Meeting with the G20 under the Turkish Presidency – February 2015 Bosphorus.

Scott Sleyster spoke about "Private Sector Support for Infrastructure Investment."

Geneva Association General Assembly Meeting – May 2014, Toronto.

John Strangfeld, Prudential's Chairman and CEO, moderated a panel on insurers as long-term investors with a focus on infrastructure investing.

OECD High Level Meeting/Roundtable on Long-term Investing – Spring 2014, Singapore.

Scott Sleyster participated in this leadership forum.

Prudential executives have also participated in other infrastructure-related events held by the U.S. Treasury Department and the OECD.

MANAGING RISK AND REWARD

"Effective risk management is crucial for a company whose very fabric is financial strength."

Nicholas Silitch, Senior Vice President and Chief Risk Officer

Risk management is rooted in Prudential's values and integrated in process, procedures and individual performance reviews. Board and executive leadership strengthen the company's risk governance.

Prudential's Enterprise Risk Management team, with full support of management and the Board, has continued to enhance the company's risk management and risk governance infrastructure. Sustained investment in technical expertise, stress testing capabilities, risk appetite and risk limit frameworks will allow Prudential to preserve the value created by the company's businesses over the long term.

The infrastructure will also allow the firm to meet the requirements that may emerge from domestic and global designations as a Systemically Important Financial Institution.



Prudential's Risk Governance Model

Board and Board Committees

- Approve risk appetite and risk limits
- Discuss major risks and changes to company risk profiles
- Receive reports from Chief Risk Officer or staff

Enterprise Risk Committee

- Oversees company's overall risk assessment
- Reviews and approves risk management policies
- Makes key decisions
- Elevates items to Board of Directors

Risk Oversight Committees

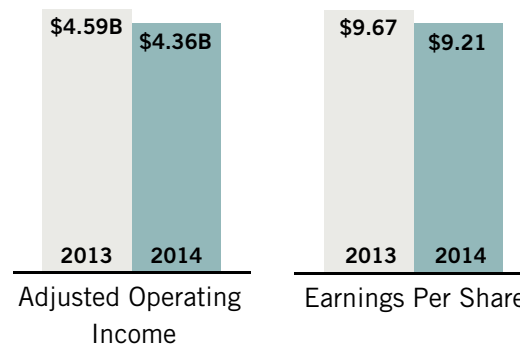
- Oversee risks
 - Market
 - Operational
 - Insurance
 - Investment
 - Model
- Discuss effectiveness of risk mitigation
- Review risk assumptions
- Propose policy for risk limits
- Include subject-matter experts

THE RESULTS: BALANCED SHORT- AND LONG-TERM VALUE CREATION

Prudential's financial performance reflects the company's balanced approach to value creation. While the company is achieving annual financial targets, it is also investing in its future financial strength.

Prudential's Financial Services Businesses reported after-tax adjusted operating income of \$4.36 billion and earnings per share of Common Stock of \$9.21 for 2014, compared to \$4.59 billion and \$9.67 per share of Common Stock, for 2013. The 2013 results benefited significantly from market-related and actuarial assumption updates while these items had a net negative impact on 2014 results.*

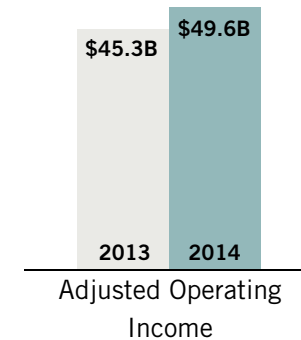
Annual Performance Highlights



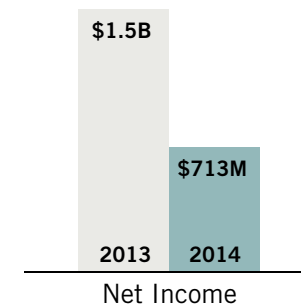
*Adjusted operating income is a non-GAAP measure of performance of our Financial Services Businesses that excludes "Realized investment gains (losses), net," as adjusted, and related charges and adjustments; net investment gains and losses on trading account assets supporting insurance liabilities; change in experience-rated contract holder liabilities due to asset value changes; results of divested businesses and discontinued operations; earnings attributable

to non-controlling interests; and the related tax effects thereof. Adjusted operating income includes equity in earnings of operating joint ventures and the related tax effects thereof. Revenues and benefits and expenses shown as components of adjusted operating income, are presented on the same basis as pre-tax adjusted operating income and are adjusted for the items above as well.

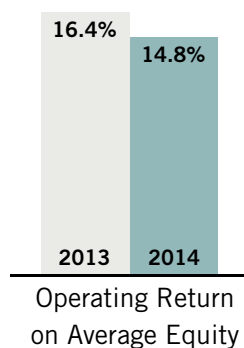
On an adjusted operating income basis, Prudential recorded \$49.6 billion of revenues for 2014 for the company's Financial Services Businesses, compared to \$45.3 billion in 2013.



Net income (loss) of the Financial Services Businesses attributable to Prudential Financial, Inc. for 2014 was \$1.5 billion for 2014, compared to (\$713) million in 2013.



The company's Financial Services Businesses reported operating return on average equity based on after-tax adjusted operating income of 14.8 percent in 2014 and 16.4 percent for 2013, exceeding Prudential's long-term target of 13 – 14 percent in each year.*



*Excludes impact on attributed equity of accumulated other comprehensive income and foreign currency exchange rate remeasurement included in net income or loss.

Financial Strength for Long-Term Value Creation

Financial strength is the foundation of Prudential's long-term value proposition. Robust capital and liquidity positions enable the company to maintain financial health and flexibility.

Qualitative and quantitative measures of Prudential's financial strength can be seen in the following ratings and statistics.

Ratings

Prudential Financial, Inc.'s long-term senior debt ratings, as determined by major independent rating agencies, are as follows:

Rating Agency	Rating	Outlook
A.M. Best Company*	a-	Stable
Standard and Poor's*	A	Stable
Moody's*	Baa1	Stable
Fitch Ratings*	BBB+	Positive

*As of September 18, 2015. Ratings are subject to change.

The financial strength ratings for Prudential's domestic insurance company subsidiaries, as determined by the major independent rating agencies, are as follows:

Rating Agency	Rating	Outlook
A.M. Best Company*	A+	Stable
Standard and Poor's*	AA-	Stable
Moody's*	A1	Stable
Fitch Ratings*	A+	Positive

*As of September 18, 2015. Ratings are subject to change. A.M. Best Company rating of A+ is the second highest of 16 rating categories; Standard & Poor's Rating Services rating of AA- is the fourth highest of 23 rating categories; Moody's Investors Service, Inc. rating of A1 is the fifth highest of 21 rating categories; Fitch Ratings, Inc. rating of A+ is the fifth highest of 19 rating categories.

Moody's does not rate Pruco Life Insurance Company of New Jersey or Prudential Annuities Life Assurance Corporation. For more information on ratings, please see the complete chart in our SEC filings on [Form 10-K](#).

Additional information on the risks to which Prudential is exposed is described in item 1-A of the company's [10-K filing for 2014](#), including risks associated with economic and market conditions, risks specific to Prudential's domestic and international businesses, as well as credit, legal and regulatory risks, and other factors.

Insurance Regulatory Capital Ratios

Risk-Based Capital Ratio*	December 31, 2014
Prudential Insurance	498%

Solvency Margin Ratio	June 30, 2015
Prudential of Japan**	853%
Gibraltar Life**,**	927%

*The inclusion of RBC measures is intended solely for information and is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities.

**Based on Japanese statutory accounting and risk measurement standards applicable to regulatory filings as of June 30, 2015.

***Gibraltar consolidated basis.





Customer Path

“Sometimes the best innovation, and the most challenging, is creating simplicity, not complexity.”

John Strangfeld, Chairman and CEO

For 140 years Prudential has worked to provide innovative solutions to its clients' needs. The company's intellectual assets – the knowledge, skills and experience of company employees make this possible. The end goal: relationships valued by and valuable to clients.

In late 2014, Prudential hired a Chief Customer Officer for its U.S. businesses. Naveen Agarwal was appointed to lead the creation of a customer engagement strategy that delivers meaningful customer experiences and relationships. He will also shape and execute the digital and data strategies for Prudential's U.S. Businesses. “In building a better customer experience, the key thing is to engage our customers, to know what they want and value,” Agarwal explained.

As clients, customers and employees connect more with the company through new digital platforms, Prudential is keenly aware of its responsibility to guard and protect personal information. In 2014, Prudential also appointed a global Chief Privacy Officer – Anne Fealey.

“While Prudential is evolving its digital initiatives, it is mindful of the need to continuously evaluate, address and control privacy and cybersecurity risks,” she stated.

RESPONSIBLE INNOVATION

Along with improved service models, client needs drive product innovation in all Prudential businesses. For example, Prudential has been in the pension risk transfer business since 1928.

Today the company brings a unique mix of skill sets to create products suited to each client. In 2014, the company completed seven major transactions in the pension risk transfer area, totaling approximately \$37 billion in buyout and longevity reinsurance account values.

“Pension risk transfer allows us to help secure the income of today's retirees while Prudential Retirement is also helping today's workers prepare for a successful retirement.”

Christine Marcks, President, Prudential Retirement

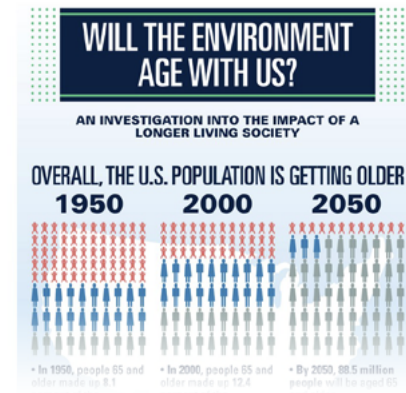
For corporate clients, pension risk transfer enables those firms to reduce their financial risk and focus on their core business. Prudential's “[Insights](#)” [website](#) links opinion pieces from Prudential executives to research by outside experts. Helping companies think through a range of issues relative to pension risk transfer, the site features a wide range of topics, including:

- The Buy Out Process
- The Cost of Pension Risk Transfer
- Risk Budgeting and Longevity Insurance: Strategies for Sustainable Defined Benefit Pension Funds

ELEVATING BEHAVIORAL FINANCE

Breaking a bad habit sometimes requires help from a friend. Prudential's “[Challenge Lab](#)” helps users understand and probe their own financial behaviors. In 2014, the Lab took a deeper look at the behavioral challenges that can get in the way of planning a secure retirement. The website and

[video](#) are available without formally engaging with a Prudential sales professional.



The Challenge Lab helps visitors examine a broad range of issues that have implications for their financial future, including their use of environmental resources. Please visit bringyourchallenges.com for entire infographic.

GROWING FINANCIAL WELLNESS

The disconnect between many people's need to save more and plan better and their ability to do so is becoming an increasingly critical societal issue. Prudential's own research studies have highlighted aspects of this challenge.

Prudential's biennial study on Financial Experience & Behaviors Among Women showed that 75 percent of women believe having enough money to maintain their lifestyle in retirement is very important, but only 14 percent are very confident they will be able to do this. This gap is virtually unchanged from 10 years ago.

Prudential's Office of Corporate Social Responsibility, corporate functions and businesses collaborate to address the gap between aspiration and execution. The company has built a continuum of interventions meant to support underserved



communities, to connect with new markets, to strengthen financial literacy and to catalyze better financial behavior.

Along with sponsorships of activities like Financial Literacy Month and Life Insurance Awareness Month, in 2014:

- Prudential's Office of Corporate Social Responsibility began executing a new strategy that includes a focus on Savings and Protection for underserved communities. The goal: increasing access to, and availability and awareness of, long-term savings, and asset-protection and wealth-building products.
- Prudential's Life insurance and Annuities units are working with the dfree® Financial Freedom Movement to help more Americans reduce debt and begin longer-term financial planning. The dfree program is presented independently by the organization to churches and is a key source of financial education, particularly in the African American community.
- Prudential's Group Insurance Department paired with Prudential Advisors, financial professionals sales force, to provide financial education to employees at Group Insurance client workplaces.

DEEPENING UNDERSTANDING WITH THOUGHT LEADERSHIP

The company also continued to publish research and thought leadership articles to deepen understanding of important financial services issues and complement new product or service development. Topics include the financial experience of diverse groups, employee benefits, disability trends and employee benefits.



As noted above, Prudential's eighth biennial study, "Financial Experience & Behaviors Among Women," surveyed women's attitudes, behaviors and financial knowledge, their financial goals and confidence in meeting those goals. Highlights included:

- Women feel more confident about their ability to manage day-to-day household finances, with nearly a third giving themselves an "A" for their knowledge of managing money (33 percent) and managing debt (29 percent).
- Many women, 66 percent, say it's very important to keep pace with rising healthcare costs, but only 9 percent are confident they will be able to.
- Among married women who are their family's primary breadwinner, 65 percent say they take the lead role in financial and retirement planning.

The 2014 "Hispanic American Financial Experience" study took a comprehensive look at the financial priorities of Hispanic Americans, the fastest growing demographic in the U.S. The report is available in Spanish and English. Its findings include:

- The Hispanic community is moderately confident in their future outlook for household finances, the local and national economy and the attention paid to their needs by the financial industry and government.

- Hispanics identify more as savers than investors. However, 36 percent say they are "neither a saver nor an investor."

RELATIONSHIPS, NOT TRANSACTIONS

Prudential's businesses measure the success of their ability to form and keep customer relationships through a variety of metrics. These include satisfaction surveys, focus groups and Net Promoter Scores that track referrals from existing customers.

In total, the metrics are diverse and numerous. The one measurement consistent across the businesses, is customer-focused financial data. The following chart lists statistics that help investors and other stakeholders evaluate Prudential's ability to meet customer needs.

Segment	2014 Sales/Net Flows
Individual Annuities	\$10.0 billion in sales
Retirement	\$28.6 billion in net flows
Asset Management	\$5.4 billion in net flows*
Individual Life Insurance	\$452 million in sales**
Group Insurance	\$256 million in sales**
International Insurance	\$2.9 billion (on constant dollar basis) in sales**

*Excluding money market activity.

**Annualized new business premiums.





Talent and Culture Path

“We firmly believe that our talent and our culture will be the most important factors in our long-term success.”

John Strangfeld, Chairman and CEO

The skill sets and talent of the company's employees are the foundation of Prudential's 140 years of success. Through a variety of policies, programs and initiatives, the company continues to offer an environment where talent can flourish.

TALENT AND LEADERSHIP

Superior talent and leadership are crucial to Prudential's ability to create value. The company's success depends on its ability to provide innovative solutions to its customers, its skill at identifying and leveraging growth opportunities and its reputation as a trusted partner.

In 2014, Prudential progressed in strengthening the company's talent environment through integrated initiatives concentrating on:

1. Developing the leadership capabilities of all employees;
2. Strengthening diversity and inclusion in the workplace;
3. Enhancing succession planning, and deepening the company's talent pipeline through early identification and development programs.

EMPLOYEE ENGAGEMENT

Research confirms that engaged employees are more productive, drive customer loyalty, have higher retention, are more prone to be involved in corporate-giving programs, have much lower absenteeism and healthcare costs, and have greater work/life effectiveness.

Employee engagement is one indicator of the strength of Prudential's talent culture. One way the company measures engagement is annual surveys administered to domestic and international employees. This barometer assesses a range of opinions relative to the company's culture. In 2014, key indicators of engagement for U.S. employees improved by statistically significant margins, including:

- Compared to other companies, Prudential distinguished itself as a top quartile company in several areas that are key drivers of engagement, including team cooperation (88 percent favorable) and opportunities to grow and develop (73 percent favorable).
- Employees perceive Prudential management as being highly supportive of their efforts to balance their work and life responsibilities (86 percent favorable).
- Employee perceptions of Senior Management's leadership and their providing clear strategic direction are extremely high compared with benchmark companies, with four out of five employees rating Prudential favorably.

The survey administered outside the U.S. varies slightly to accommodate the cultural norms of the countries in which it is conducted. In 2014, the overall satisfaction of international employees was 65 percent, which is in line with the aggregated Mayflower norm. Prudential's retention index for its international employees was 68 percent, which exceeds Mayflower averages.

TRAINING AND DEVELOPMENT

Prudential's talent strategy strives to provide opportunities for employees to develop and grow. This feeds the pipeline of future leaders and increases employee engagement. Formal training, on-the-job activities, coaching, stretch assignments, networking and community involvement enable associates to strengthen performance in their current assignments and develop skills that prepare them for their next role within the company.

In 2014, Prudential continued to expand participation in its signature leadership programs, *Leading the Global Enterprise* and *Leading for Shareholder Value*. Through simulation, these programs build business insight while exposing rising leaders to senior executives. The programs foster skill development and intracompany networks. They also support succession planning and greater integration in business initiatives.

Prudential also introduced a nine-month development program for new leaders who are managing people for the first time. The program provides a common foundation for leadership at Prudential. It covers topics including employee relations, communications, situational leadership and coaching.





Early Talent Identification

Prudential's early talent development and identification programs play an integral role in helping the company create relationships with its future workforce. The programs increase the flow of diverse talent into Prudential, especially in fields that have traditionally been underrepresented.

Undergraduate and MBA internship programs enable company leaders to preview skills and showcase what Prudential has to offer with the goal of converting top participants to full-time employees.

The company also sponsors several signature programs to expose high-performing, diverse college freshman and sophomores to Prudential:

- **The Peak Leadership Conference** is a three-day interactive program that provides students with real-world experiences in the financial services industry. After completing the program, participants are invited to apply for Prudential internships the following year.
- **Prudential Actuarial Success Awareness Program (ASAP)** is designed to influence high-potential science, technology, engineering and mathematics students to consider actuarial careers, providing financial support through scholarships and funded programs.

DIVERSITY AND INCLUSION

“Excellence in diversity and inclusion is integral to the way we manage and develop people. But beyond that, it’s a significant part of how we engage with the community, and the marketplace. We want to attract and retain employees, customers, and business partners that reflect our changing world and share our values.”

Sharon Taylor, Senior Vice President, Human Resources and Corporate Social Responsibility

At Prudential, diversity & inclusion (D&I) are embedded into every aspect of the company. Creating a culture of inclusion and innovation enables Prudential to attract and retain top talent, win and build long-lasting relationships with customers, and serve diverse U.S. and global communities.

This commitment is reflected by Prudential's three-pillar D&I strategy, building relationships with the firm's most important constituencies – people, the market and community. The company aspires to excellence in each of these areas and has established strategic action plans and critical outputs to ensure progress. Ultimately, this framework guides company efforts to become a magnet for talent, a trusted community partner and a preferred brand among customers and investors.

People Pillar

The company firmly believes that to maintain an engaging work environment, drive high performance and attain business goals, everyone must be valued, respected, and encouraged to achieve their full potential. Prudential works to ensure that the culture enables all employees to contribute their best each day.

U.S. Employee Profile	Women	People of Color
Total Management	48%	25%
Total Non-Management	53%	30%
Total Prudential	50%	27%

International Employee Profile	Male	Female
Total Staff	60%	40%
Home Office Staff	57%	43%
Home Office Management Staff	75%	25%
Home Office Non-Management Staff	48%	52%
Field Sales Staff	60%	40%

Market Pillar

Understanding diverse markets helps better meet the needs of multicultural consumers. The Market Pillar focuses on helping Prudential connect with diverse customer segments in advertising, through targeted multicultural marketing and by developing niche products. Prudential's signature research series supports these efforts, while strengthening opportunities for needs-appropriate financial education.



Community Pillar

To advance D&I, Prudential collaborates with business and community partners. The company seeks and maintains relationships with diverse suppliers, diverse-owned and -operated banks, and third-party asset managers. These are discussed in the [Social Paths Section](#). Additionally, the company deploys a range of financial and human capital to benefit diverse communities.

Along with efforts in businesses and corporate centers, Prudential sponsors seven employee networks known as Business Resource Groups (BRGs). The Groups promote professional development for their members. Along with supporting Prudential's talent culture, BRGs deepen Prudential's relationships with existing and emerging customer bases, and support the achievement of business objectives.

In recent years, the company more actively tapped into the expertise of BRG members. Highlights of 2014 BRG activities include:



- **Able and Disabled Associates Partnering Together (ADAPT)** – formed external partnerships with the Employer Assistance and Resource Network and the National Disability and Business Council, and are utilizing them as pipelines for talent.



- **Employee Association of Gay Men, Lesbians, Bisexuals, Transgenders and Allies (EAGLES)** – launched the Prudential Ally program that aims to provide a fully inclusive workplace environment for all employees through education and engagement.



- **Hispanic Heritage Network (HHN)** – partnered in the development and launch of Prudential's signature research series, "The Hispanic American Financial Experience," an in-depth look at the financial landscape of the Hispanic community.
- **Josei-no-kai, Japanese BRG for female salespeople** – organized four networking sessions in four areas of Japan.



- **Prudential's Military, Veterans and Veteran Supporters Group (VETNET)** – piloted a Mentor Program to support incoming Veterans across the company, and provided workshops on resume writing, interviewing and job-skills matching.

Senior leader commitment and advocacy are foundational elements to achieving Prudential's vision of diversity and inclusion. Leaders and managers are accountable for making key decisions that will advance the strategy and create the right environment.

Prudential's CEO John Strangfeld and the company's senior leadership team support Prudential's affirmative action programs, which are designed to provide equal employment opportunity for all qualified individuals.

Outside the U.S., D&I focuses on women and individuals with disabilities in Prudential's businesses. Initiatives include:

Japan

Prudential's companies in Japan integrate diversity programs into the company's culture. As part of that effort, in 2014, the company sponsored the second annual Women in Business Summit in Tokyo, "Womenomics: Engine for Economic Growth." The event offered a platform to discuss policies – both corporate and governmental – that would encourage Japanese women to more fully participate in the workforce.

Summit speakers included Japan's Prime Minister Shinzo Abe, Caroline Kennedy, U.S. ambassador to Japan, and Kathy Matsui, managing director at Goldman Sachs and inventor of the term "Womenomics."

"The global economy depends on a strong Japanese economy. Advancing the presence of women in the workplace is no longer an issue of equality, it is an issue of business survival. The world is watching."

Royanne Doi, Chief Corporate Ethics Officer



South Korea

Prudential of Korea (POK) was ranked as one of the top three multi-national companies in Korea for its outstanding work environment from a survey conducted by *FORTUNE Korea* magazine and the job search website, Job Planet.

“We strive to create a collaborative work environment at POK. By working together we support achievement of both the company’s goals and our individual success.”

B.O. Sohn, Chairman of POK

The survey results noted POK’s friendly and family-like environment that promotes better work-life balance among employees.

Veterans Initiative

For 50 years, Prudential has helped meet the life insurance needs of active and Veteran members of the U.S. Armed Forces. In 2010, Prudential created a Veterans Initiative Office to conduct a broad range of programs supporting U.S. Military Veterans in their transition back into the workforce and their communities.

Prudential’s focus on Veterans includes attracting and hiring Veterans as part of an overall talent acquisition strategy. As the lead sponsor of VETalent, Prudential partners with the nonprofit Workforce Opportunity Services and major universities to prepare transitioning enlisted Veterans for new careers.

Successful completion of the VETalent program results in a certification from a major university

and an opportunity for full-time employment with sponsoring companies. Prudential is continuing to introduce the VETalent model to other corporations.

Along with preparing Veterans for corporate careers, in 2014, Prudential provided grants and sponsorships to 16 nonprofit organizations that support Veterans and their families in their transition to civilian life. These organizations cover a broad spectrum of Veterans’ needs, with an emphasis on helping them achieve meaningful employment.

Prudential’s Veterans Initiative Office is also deepening understanding of Veterans’ workplace challenges. The effort better equips employee assistance behavioral health practitioners to help Veterans and their families transition from military life to the civilian workplace.

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EL PASO WORKFORCE OPPORTUNITIES SERVICES (WOS)

The first trainees from the El Paso Workforce Opportunities Services (WOS) program graduated in November 2014. The graduates included seven Veterans and the spouse of an Army soldier. “I’m inspired by your accomplishments, both in and out of the military,” said John Strangfeld, chairman and chief executive officer of Prudential Financial, Inc. at the graduation ceremony. “We’re especially excited to have you on board as we continue to build our presence in El Paso. Our new technology and business center marks a new phase of our work to help Veterans and their families have access to meaningful career opportunities in the corporate sector.”

HEALTH, WELLNESS AND WORK/LIFE EFFECTIVENESS

“Optimal health enables people to live their best lives and deliver their best performance within and beyond the workplace.”

K. Andrew Crighton, Chief Medical Officer

The growing body of research linking health-promoting workplaces with business results drives Prudential’s Health and Wellness strategy. The goal is to empower individuals, organizations and communities to reach their greatest potential across all dimensions of health: physical, emotional, social, spiritual and financial.

In the U.S., the health and well-being of Prudential’s employees is advanced at eight on-site clinics and with a range of fitness, nutrition and supportive work/life services. Employees’ dependents also have access to many of these free programs. Prudential’s wellness programs aim to reduce employee health risks and are paying off.



FAST FACT

By year-end 2014, with 77% of U.S. employees completing a Health Risk Assessment, 86.7% of Prudential employees were in the low-risk category, up from 76% in 2009.





Promoting Good Health for People, Organizations and Communities

Prudential's health promotion strategy embraces the places where individuals, organizations and communities intersect. The conferences described below were delivered by Prudential in partnership with Rutgers University School of Social Work and additional collaborators.

- In *A Brave New Workplace: Ending Stigma and Promoting Behavioral Health as a Key to Wellness*, more than 300 community behavioral and allied health providers discussed their role in addressing emotional, social, and spiritual health, and the physical and financial aspects of health.
- At *Helping Veterans Return to Work: Best Practices for EAP & Other Behavioral Health Practitioners*, more than 300 attendees learned how they can help Veterans transition from combat overseas

to home and work. This conference has been replicated at the University of Maryland in Baltimore, Md.; University of Washington in Seattle, Wash.; and University of Louisville in Louisville, Ky.

- Nearly 300 participants attended *Domestic Violence: How Workplaces Get Hurt & How They Can Help*. Workplace leaders deepened their understanding of domestic violence, the role they can play as part of the solution, and resources for helping develop policy and response teams. A follow-up conference in which participants can discuss their progress is planned for 2016.
- Community behavioral health providers built stronger links with workplace programs at *Clinical Work with the Corporate Employee: Collaborating for a Safe, Healthy, & Respectful Workplace*. More than 300 community attendees

learned about workplace resources, such as accommodations, return to work, work-life resource and referral, and onsite medical and behavioral health services, including life coaching, health coaching, personal budget coaching, and adult care coaching.

- Fifth in the series was a conference held in 2015. *Diversity, Power, and the Workplace: How Inclusion Propels Employee Health and Organizational Success* examined the importance of diversity-affirming leaders and role models in organizations. It highlighted best practices in building inclusive workplace cultures with an emphasis on the helping professions. This program included an exploration of intimate partner violence, bullying, and the need to erase the stigma that discredits people who have behavioral health and other conditions.

ETHICAL CULTURE BEGINS WITH ACCOUNTABILITY

“Prudential employees demonstrate their commitment to our core values every day. This commitment defines our corporate character.”

John Strangfeld, Chairman and Chief Executive Officer

At Prudential, employees are accountable for acting ethically, and for knowing and following applicable rules, regulations, laws, policies, procedures and the company's global code of conduct, *Making the Right Choices*. The Code outlines Prudential's high standards of ethical behavior.

Prudential's enterprise ethics office, Global Business Ethics & Integrity, is responsible for guiding and integrating ethics globally. Global Business Ethics staff is augmented by selected senior leaders in Prudential's major business units and functional areas, who are business ethics officers for their organizations.

Ultimately, a committee of Prudential's Board of Directors – the Corporate Governance and Business Ethics Committee – oversees the company's ethical culture and policies with an expressed commitment to high standards of integrity.

A COMMITMENT TO INTEGRITY

Consistent and ongoing communications and training create a positive sense of engagement and are key drivers of Prudential's ethical culture. Throughout the year, employees receive tools and educational materials. These are reinforced by messaging from business leaders, culminating in “Ethics Awareness Month” each March.



In 2014, managers received a “Leading with Integrity Guide,” a resource to help managers enhance ethical leadership. In addition, the Ethics Office introduced new training called “Voicing Our Values,” based on extensive research by Dr. Mary Gentile, author of *Giving Voice to Values*. “Voicing Our Values” teaches employees how to effectively handle values conflicts by developing communication and persuasion skills.

24/7 Reporting

Employees who are concerned about ethical issues have access to Prudential’s 24/7 global reporting mechanisms. In addition to in-language telephone help lines and a website, employees can report concerns to their management, human resources consultant, local business ethics officer, or their legal or compliance contacts. Employees who voice concerns in good faith are protected by Prudential’s policy against retaliation.

To help maintain compliance with the Code of Conduct, Prudential requires U.S. and some international employees to certify annually that they have read, understand and fully comply with the company’s business ethics standards. In 2014, 99.7 percent of eligible employees acknowledged their compliance with Prudential’s code of conduct.

In new employee orientation, employees are introduced to Prudential’s culture through web-based training on the code of conduct – finishing by certifying commitment to the code.

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Assessing Prudential’s Ethical Culture

Prudential’s annual employee opinion surveys evaluate the strength of the company’s global ethical culture. These scores are analyzed at the division, business and department levels to assess culture deep within the organization.

Employees’ ratings of Prudential’s ethical environment are quite strong; in 2014, 99 percent of U.S. employees said they did not feel pressure to compromise Prudential’s standards of ethical business conduct.

In addition, annual performance reviews include an assessment of every employee’s performance against Prudential’s first Leadership Competency: “Demonstrates a strong moral compass.”

SHAPING CULTURE THROUGH COMPLIANCE

“We believe that compliance begins with supporting the strong ethical culture that is entrenched in every Prudential business around the world.”

Lee Augsburg, Senior Vice President and Chief Ethics and Compliance Officer

The company has created a strong compliance structure and organization that provides an independent system of tracking, oversight and inspections to help prevent and detect the violation of laws, rules, regulations and/or policies.

In accordance with best practices in the field, the program is led by a senior officer who has direct access to, and who formally and regularly reports to the Board, its Audit Committee, and to the Chairman of the Board.

While Prudential’s Law Department identifies and interprets laws and regulations applicable to Prudential’s businesses, more than 500 Compliance associates assist business partners in analyzing processes for compliance with relevant regulations. Approximately 80 percent of Compliance employees are primarily embedded in and directly support individual business units. The balance of the Compliance associates address cross-enterprise issues like anti-money laundering, anti-corruption, privacy and material non-public information.

Collectively the compliance groups in Prudential maintain, review, track and analyze the effectiveness of compliance programs; facilitate regulatory inquiries and exams; conduct compliance risk assessments; develop and advise on rigorous policies and procedures that protect the company; train and guide the businesses on policies and relevant regulatory criteria and requirements; and support business leaders for disciplining employees.

Compliance associates have a solid reporting line to Prudential’s Chief Ethics and Compliance Officer, to the extent permitted by local law. The compliance program is modeled on the U.S. Federal Sentencing Guidelines for Organizations and has been extensively reviewed by outside experts.

A review of regulatory and litigation risk addressed in 2014 can be found in the [Prudential Financial, Inc., 10-K](#) filing with the Securities and Exchange Commission.





Social Path

Prudential builds long-term value with a broad view of what contributes to the company's sustainability. Creating meaningful relationships with wide-ranging groups of stakeholders enables the company to operate more effectively, to pinpoint emerging social issues and to contribute to communities as a good citizen.

Relationships with Regulators and Legislators: Public Advocacy

The decisions made by government have an enormous impact on how Prudential operates as a public company. The company maintains relationships in the public policy arena to assist in the development of thoughtful, effective regulation.

To continue Prudential's commitment to open transparency with stakeholders, customers, employees and shareholders, the company participates in activities including direct lobbying, partnerships with trade associations and coalitions, and operation of political action committees (PACs).

An [Annual Report](#) that provides detailed information on Prudential's sponsored political contributions and annual association dues,

assessments and contributions to trade associations exceeding \$25,000 is available on the company's website.

In 2014, Prudential did not contribute corporate funds to support ballot initiatives nor did it contribute financial or other support for public office. Questions concerning Prudential's activities or its PACs may be addressed to prudential.pac@prudential.com.

ELIMINATING BARRIERS

[Prudential's Office of Corporate Social Responsibility](#) (OCSR) leads Prudential's investments in underserved communities. OCSR deploys strategic grants, impact investments, corporate contributions and employee engagement to achieve its mission: building a shared and lasting prosperity for the underserved by eliminating barriers to financial and social mobility.

OCSR's strategy and its implementation integrate with Prudential's mission and support each of the four paths to sustainability. The strategy has three focus areas:

Quality Jobs: Supporting the creation and growth of quality jobs, and the businesses that provide them.

OCSR also supports efforts at improving the ability of people with low to moderate income to access these jobs.

Savings and Protection: Increasing access to, availability and awareness of long-term savings, asset protection and wealth-building products for underserved individuals.

Urban Transformation: Targeting key social systems that result from concentrated urban poverty.

	Year in Numbers – 2014
Employee Engagement	Matching Gifts – \$7 million Volunteer Time Contributed – 42,500 hours in the U.S.
Grants & Investments	Foundation Grants – \$27 million Corporate Contributions – \$12 million Impact Investments – \$173 million in Commitments



Civic 50

Prudential was recognized in 2014 as one of America's most community-minded companies by The Civic 50. The annual award acknowledges America's most community-minded companies. It is an initiative of Points of Light, in partnership with Bloomberg LP.

Prudential was ranked no. 1 across a range of ranked dimensions, including leadership activity

level, stakeholder relations, skill development, employee incentives, community input, department goals and impact (social) for grant outcomes.

"Prudential was founded with a social purpose – making life insurance affordable for working-class families – and the desire to make a difference, to address social issues remains an integral part of the company's culture today. The inclusion in

The Civic 50 is an acknowledgement of our long-standing commitment to ensuring that everyone has the opportunity to achieve lasting economic success," said Lata Reddy, Vice President of Corporate Social Responsibility and President of The Prudential Foundation.



“Prudential’s connection with the Special Olympics is deeper than financial support. It was an expression of Prudential’s commitment to diversity and inclusion, and our ideals of enabling all employees to contribute to the fullest extent of their abilities.”

*Steve Pelletier, Chief Operating Officer
for Prudential’s U.S. Businesses*



Prudential provided a \$1 million sponsorship to the Special Olympics Games and engaged employees to support a successful event. Highlights of the Games include:

A total of 3,500 athletes, 1,000 coaches and delegates, 10,000 volunteers and 70,000 spectators and families attended the events.

Almost 1,400 Special Olympics Athletes were provided free health screenings, eyeglasses, sunglasses, hearing aids and mouthguards in “The Healthy Athletes Experience” with the help of 180 Prudential employee volunteers.

Over a span of a week, 300 Prudential employees volunteered in the Special Olympics Games in a variety of events, activities and ceremonies.

More than 200 employees welcomed the Torch Run to the Prudential Plaza concourse in Newark, N.J.



Relationships with Vendors and Business Partners: Creating Mutual Benefit

In 2014, Prudential continued to implement best practice processes, policies and systems and to establish a comprehensive procurement governance and operating model. These changes are aimed at strategically leveraging the company’s buying power to maximize value.

In this multiyear transformation, Prudential’s Supplier Diversity Initiative continues to offer competitive access to diverse vendors. In terms of spending, five diverse firms ranked among the company’s top 50 vendors in 2014.

The construction of Prudential’s new building in Newark contributed significantly to supplier diversity efforts through the use of diverse subcontractors.





Strong and Engaged Relationships

In 2014, Prudential continued to strengthen its relationships with diverse-owned financial services firms and banks. The core of these strategic programs focuses on the creation of strong and engaged relationships with African-American, Women-, Hispanic- and Veteran-owned emerging capital managers and banks.

In 2014 and early 2015, the Emerging Manager Investment Program:

- invested \$300 million of Prudential's proprietary assets with nine emerging manager firms;
- expanded distribution and partnership opportunities for emerging manager firms with Prudential's businesses;

- continued to lead industry-wide efforts to promote awareness of the importance of investing in emerging managers; and
- published a white paper, *Seeking growth, diversification through emerging manager partnerships*.

In 2014, the Banking Program emphasized the following areas:

- Increased emphasis on active participation by diverse banks in Prudential's capital markets transactions, including debt issuances and share repurchase activities. Diverse-owned firms had roles in each of Prudential's senior debt deals in 2014.
- Diverse-owned firms also acted as agents to repurchase \$670 million in shares of Prudential common stock in 2014.

- Servicing Prudential's needs in traditional banking services, including treasury and liquidity products. Prudential continues to actively seek new opportunities and partnerships with diverse-owned banks in this space.

In 2014, the 30 member companies of the legal Inclusion Initiative spent more than \$210 million with minority- and women-owned law firms. Prudential – a founding participant – increased its spend with these businesses by 15 percent.

Since the Inclusion Initiative was established five years ago, the aggregate expenditures of participating companies have exceeded \$797 million.

RELATIONSHIP WITH THE ENVIRONMENT

“Prudential recognizes the global threat of climate change and the impact it could have on our industry and our customers and stakeholders around the world.”

Company Environmental Commitment, 2009

During 2014, Prudential continued to execute its environmental commitment in three areas: Stewardship, Investment and Engagement.

Stewardship

Using resources responsibly benefits Prudential's short-term bottom line and its ability to seize long-term opportunities. It is also something the company believes is the right thing to do.

Since 1998, Prudential has focused on reducing its environmental footprint across the company's domestic operationally controlled, owned and leased corporate home office portfolio. Prudential's efforts in this area have grown from being a function driven by local facility managers to a broad range of company-wide initiatives that involve professionals, operations, printing, procurement, and technology teams and engaged employees.

Prudential began tracking the reduction of its carbon footprint for its “domestic home office properties” in 2007. From that time to December 31, 2014, Prudential has reduced its carbon footprint by 19 percent, which directly correlates with energy reduction. Additionally, 6 percent of the company's annual energy consumption comes from renewable sources.

The following chart documents progress made at Prudential's operationally controlled, owned and leased corporate home office domestic portfolio:



Annual Performance Update U.S. – Environmental Stewardship: Operationally controlled, owned and leased corporate home office domestic portfolio

DESCRIPTION	2014	2013	2012	PERFORMANCE
Portfolio Square Footage	6,380,424	6,467,542	6,080,701	
GHG Emissions (MTCO ₂ -e) ¹ Note: Scopes- 1 and 2 broken out by actual unit of energy measure.	<p>Scope-1:² 7,836 MTCO₂-e 153,655 MBTU 1.62 x 10¹⁴ Joules</p> <p>Scope-2:³ 67,070 MTCO₂-e 130,660,732 Kwh 4.70 x 10¹⁴ Joules</p> <p>Scope-3:⁴ 11,945 MTCO₂-e</p> <p>Totals: 86,851 MTCO₂-e</p>	<p>Scope-1:² 6,053 MTCO₂-e 121,057 MBTU 1.27 x 10¹⁴ Joules</p> <p>Scope-2:³ 67,254 MTCO₂-e 131,432,299 Kwh 4.73 x 10¹⁴ Joules</p> <p>Scope-3:⁴ 12,273 MTCO₂-e</p> <p>Totals: 85,580 MTCO₂-e</p>	<p>Scope-1:² 5,090 MTCO₂-e 101,784 MBTU</p> <p>Scope-2:³ 70,613 MTCO₂-e 138,267,775 Kwh 4.98 x 10¹⁴ Joules</p> <p>Scope-3:⁴ 11,130 MTCO₂-e</p> <p>Totals: 86,833 MTCO₂-e</p>	
GHG emission progress towards 2012 goal of 10% reduction over 2007 levels. ⁵		Prudential has exceeded its goal of reducing GHG emissions by 10% from the 2007 levels.	Prudential has reduced GHG emissions by more than 9% from 2007 levels.	Our 2014 GHG emissions are reduced by 19% as compared to our 2007 GHG emissions.
Recycling (Tons)	1,578 ⁶	1,613 ⁶	1,610 ⁶	
Water Usage (Gallons)	80,139,690 ⁷	77,120,960	81,031,859	Reflects both potable and non-potable water consumption.

Notes

- MTCO₂-e denotes the unit of measure for CO₂ emissions as Metric Tons of Carbon Dioxide Equivalency. This is the standard measurement of the amount of CO₂ emissions that are reduced from the environment.
- Scope-1 Emissions are from direct emission sources such as oil and natural gas consumption utilized by Prudential.
- Scope-2 Emissions are from indirect emission sources such as emissions from power generation plants that supply electricity purchased by Prudential.
- Scope-3 Emissions are optional emission sources from our employee business air travel. (Short and Long Haul miles)
- Prudential's base year starting point for GHG emission reduction was 2007.
- A decline in paper use is the principle reason behind the drop in recycling, enabled by more two-sided printing and electronic communications.
- An increase in headcount, HVAC equipment usage and switching from bottled to filtered water in employee kitchen areas in Newark buildings are reasons for additional water usage.



Prudential's Investment in Renewable Energy

Prudential invests its own and client assets in renewable power generation. During 2014, the market value of that portfolio increased nearly 4 percent over 2013, with more than \$3 billion invested in a range of renewable power projects.

Along with investments in renewable energy generation projects, Prudential Fixed Income – a Prudential Investment Management (PIM) business – began investing in green bonds in

2013. “Green bonds” are debt instruments used to finance environmental initiatives like energy efficiency or renewable energy projects. The market value of Prudential's green bonds was more than \$49 million at the end of 2014.

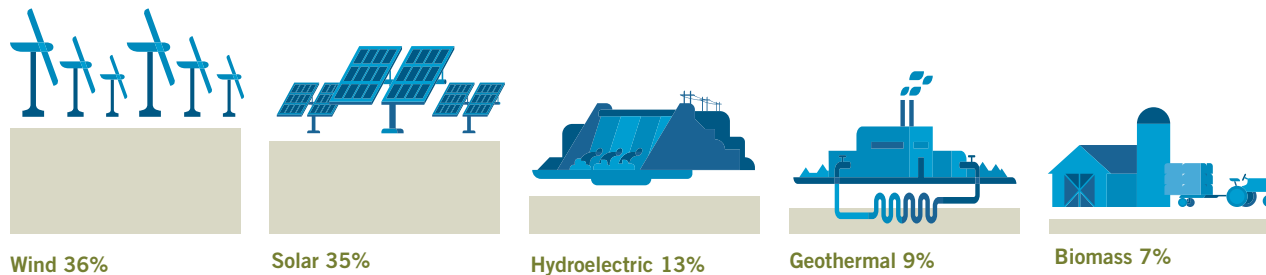
Responsible Use of Resources

In communicating, both paper documents and e-delivery have environmental costs. In many cases, customers, investors or employees help the company decide the best way to communicate by confirming how they prefer to receive information.

Since 2008, many Prudential shareholders have decided they would prefer to receive annual mailings and other information electronically. This has enabled Prudential to reduce the amount of paper by more than 1.5 billion pages – enough to circle the earth seven times.

Since 2010, Prudential has been working with shareholders to replant National Forests. The company's partner in this initiative – American Forests – is celebrating its 140th anniversary in 2015 by planting its 50 millionth tree. Prudential shareholders have been responsible for the planting of more than 550,000 of those trees.

Prudential's Renewable Energy Investments (as December 31, 2014)



Managed Print Initiative

In 2014, Prudential implemented Managed Print, an initiative that encompasses the life cycle of print. Managed Print increases the efficiency, security, sustainability and environmental impact of printing across the company.

New devices have been installed across the U.S. operations, which allow Prudential employees to print from any office location. Associates can access any of the devices simply by scanning

their ID badges, which enhances document security and protects information. Since there are fewer devices, the number of toners and packaging has also been reduced.

The new print devices are certified under one or more of the following environmental programs: Epeat, Energy Star, Ecologo, and Blue Angel. Since the devices are more energy efficient and fewer are available, the result has been a significant reduction in print energy consumption. Print devices are defaulted to

duplexing (copying two sides), which also reduces the amount of paper waste and fewer devices have to be recycled when replacements are necessary.

Overall, the Managed Print initiative is reducing the number of printers, scanners, copiers and fax machines by approximately 75 percent and is expected to reduce related costs by 30 percent annually.



Engagement

An important aspect of Prudential's employee value proposition is informing and involving its employees in the company's environmental initiatives.

Prudential encourages and provides opportunities for its employees to uphold the company's commitment to environmental responsibility.

Green teams have been created at a number of worksites, supporting company-sponsored programs and creating links to local community programming.

The green teams encourage employees to get involved by providing education sessions, opportunities to participate in green activities, and highlighting programs already existing at

Prudential. In 2014 and early 2015 Prudential launched four new green teams – located in Dresher, Penn.; Roseland, N.J., Woodbridge, N.J., and Newark, N.J. – leading to a total of six green teams across the enterprise with more launches planned for late 2015 and early 2016.

To see more work that the green teams are working on please visit the [Prudential corporate site](#).



Environmental Stakeholders

Prudential engages with outside organizations to support responsible investing and encourage best practices. Examples of the organizations are:

- Ceres
- Investor Network on Climate Risk

- Urban Land Institute's Greenprint Center for Building Performance – Performance Committee
- Principles for Responsible Investment – Property Working Group
- Urban Land Institute's Responsible Property Investment Council

- Clinton Global Initiative – Energy Efficiency Working Group
- U.S. Department of Energy's Better Building Partnership Market Transformation Working Group



Recognition and Significant 2014 Awards

Prudential ranks No. 72 on the 2014 Fortune 500 List of America's Largest Corporations.

The company also ranks No. 264 on the 2014 Fortune Global 500 List of the World's Largest Corporations.

Prudential is honored that organizations around the world have recognized our commitment to diversity and establishing a supportive workplace.

U.S. Recognitions

- Ethisphere's "2015 World's Most Ethical Company" (first year)
- Civic 50, an initiative of Points of Light, in partnership with Bloomberg LP (first year)
- *DiversityInc*, "Top 50 Companies for Diversity" (2014 and 13 prior years)
- *Equal Opportunity* magazine's "Top 50 Employers" (2014, 2013, 2011, 2010)
- *Human Rights Campaign*, "Corporate Equality Index" 100 percent score (2014 and 10 prior years)
- *National Association for Female Executives* magazine's "Top Companies for Executive Women" (2014 and 14 prior years)
- *Working Mother* magazine's "Top 100 Companies for Working Mothers" (2014 and 24 prior years, Hall of Fame member)
- Dave Thomas Foundation for Adoption's "100 Best Adoption-Friendly Workplaces" (2014 and 7 prior years)
- *G.I. Jobs* magazine's "Top 100 Military-Friendly Employers" (2014 and 4 prior years)
- *Military EDGE* magazine's "50 Best for Vets Employers" (2014 and 4 prior years)
- *Latina Style* magazine's "50 Best Companies for Latinas" (2014 and 16 prior years)
- *Computerworld*, "Best Places to Work in IT" (2014 and 5 prior years)

International Recognitions

- Guia Você S/A – *Exame* magazine's "150 Best Companies to Work For" to Prudential of Brazil (2014 and 8 prior years)
- The Great Place to Work Institute's "The 100 Best Companies to Work For" (Brazil), ranked among the 35 best companies to work for in the State of Rio de Janeiro and among the 130 best companies to work for in Brazil (2014 and 4 prior years)
- Centro Mexicano para la Filantropia A.C. (Cemefi, "Socially Responsible Company") to Prudential Seguros Mexico (2014 and 7 prior years)
- Prudential of Korea awarded "Best Brand" in the life insurance category at the 2014 Korea Best Brand Awards sponsored by Forbes Korea
- DHFL Pramerica Life received the Celent Model Insurer Asia Award 2014 in the "Distribution: Other Channels" category
- Pramerica Italy received the Triple A Award for its Pramerica Previdenza Fund by the Milano Finanza Insurance & Previdenza Awards
- Korean Finance Consumer Federation in its 2014 roster of "Good Life Insurance Companies" ranked Prudential of Korea first (2014 and 4 prior years)
- Prudential of Taiwan ranked in the top 5 *Common Wealth Magazine* among life insurers for the "Golden Service Award" (2014 and 2 prior years)

GRI Index

GENERAL STANDARD DISCLOSURES	
GENERAL STANDARD DISCLOSURES	PAGE NUMBER OR LINK
STRATEGY AND ANALYSIS	
G4-1	<u>5-6</u>
G4-2	<u>10-11</u>
ORGANIZATIONAL PROFILE	
G4-3	<u>7</u>
G4-4	<u>7</u>
G4-5	<u>7</u>
G4-6	<u>8</u>
G4-7	<u>7</u>
G4-8	<u>8</u>
G4-9	<u>7-8, 18</u>
G4-10	<u>25</u>
G4-11	N/A
G4-12	N/A
G4-13	<u>19</u>
G4-14	N/A
G4-15	<u>36</u>
G4-16	<u>17, 36</u>
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES	
G4-17	http://www.sec.gov/Archives/edgar/data/1137774/000119312515056366/d864090d10k.htm
G4-18	<u>12</u>
G4-19	<u>12</u>
G4-20	<u>12</u>
G4-21	<u>12</u>
G4-22	<u>12</u>
G4-23	<u>12</u>

GENERAL STANDARD DISCLOSURES (CONTINUED)	
GENERAL STANDARD DISCLOSURES	PAGE NUMBER OR LINK
STAKEHOLDER ENGAGEMENT	
G4-24	<u>11</u>
G4-25	<u>12</u>
G4-26	<u>10-12</u>
G4-27	<u>10-12</u>
REPORT PROFILE	
G4-28	<u>12</u>
G4-29	<u>12</u>
G4-30	<u>12</u>
G4-31	<u>43</u>
G4-32	<u>12</u>
G4-33	N/A
GOVERNANCE	
G4-34	<u>12, 15-16</u>
G4-35	<u>14</u>
ETHICS AND INTEGRITY	
G4-56	http://www.prudential.com/view/page/public/18540
G4-57	<u>7, 28-29</u>

SPECIFIC STANDARD DISCLOSURES		
DMA AND INDICATORS	PAGE NUMBER OR LINK	IDENTIFIED OMISSION(S)
CATEGORY: ECONOMIC		
MATERIAL ASPECT: ECONOMIC PERFORMANCE		
G4-DMA	18-19	
G4-EC1		Financial data included in this report are consistent with Prudential's overall financial reporting.
MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS		
G4-DMA	16	
G4-EC7	16-17	
G4-EC8	31-32	
CATEGORY: ENVIRONMENTAL		
MATERIAL ASPECT: ENERGY		
G4-DMA	33-34	
G4-EN3	34	
G4-EN6	34	
MATERIAL ASPECT: WATER		
G4-DMA	33	
G4-EN8	34	
MATERIAL ASPECT: EMISSIONS		
G4-DMA	33	
G4-EN15	34	
G4-EN16	34	
G4-EN17	34	
G4-EN19	34	
MATERIAL ASPECT: COMPLIANCE		
G4-DMA	33	
G4-EN29		There were no fines paid in 2014.

SPECIFIC STANDARD DISCLOSURES		
DMA AND INDICATORS	PAGE NUMBER OR LINK	IDENTIFIED OMISSION(S)
CATEGORY: ENVIRONMENTAL (CONTINUED)		
MATERIAL ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS		
G4-DMA		
G4-EN34	There were 0 grievances reported in 2014.	
CATEGORY: SOCIAL		
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK		
MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS		
G4-DMA		
G4-LA4	<u>24</u>	
MATERIAL ASPECT: TRAINING AND EDUCATION		
G4-DMA	<u>24</u>	
G4-LA10	<u>24-25</u>	
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY		
G4-DMA		
G4-LA12	<u>25-27</u>	
SUB-CATEGORY: SOCIETY		
MATERIAL ASPECT: ANTI-CORRUPTION		
G4-DMA		
G4-S03	<u>28-29</u>	
MATERIAL ASPECT: PUBLIC POLICY		
G4-DMA		
G4-S06	http://www.prudential.com/view/page/public/18550	
MATERIAL ASPECT: COMPLIANCE		
G4-DMA	<u>28</u>	
G4-S08	There were no significant fines paid in 2014.	

SPECIFIC STANDARD DISCLOSURES**DMA AND INDICATORS****PAGE NUMBER OR LINK****IDENTIFIED OMISSION(S)****CATEGORY: SOCIAL (CONTINUED)**

SUB-CATEGORY: PRODUCT RESPONSIBILITY

MATERIAL ASPECT: COMPLIANCE

G4-DMA

28

G4-PR9

There were no significant fines paid in 2014.

For questions or comments related to the
Sustainability Report, please contact:

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