

Commitment

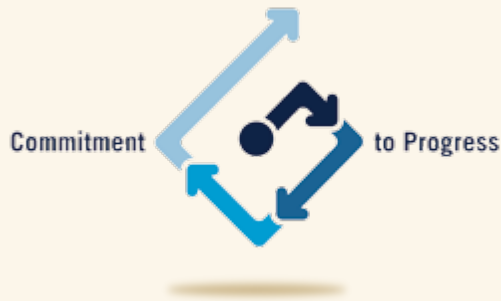


to Progress

Prudential Financial, Inc. 2011 Sustainability Report



Prudential
Bring Your Challenges®



CORE PRINCIPLES

Our Mission: Help our customers achieve financial prosperity and peace of mind.

Our Vision: Distinguish Prudential as an admired multinational financial services leader, trusted partner and provider of innovative solutions for growing and protecting wealth.

Our Strategy: Capitalize on our unique combination of life insurance and asset management expertise to enable individuals and institutions in our chosen markets to grow and protect their wealth.

OUR VALUES

How we work is as important as what we do. Our core values guide us in our work every day to help our customers achieve financial prosperity and peace of mind. We strive at all times to distinguish Prudential as an admired global financial services leader and a trusted brand that is differentiated by top talent and delivery of innovative solutions for customers at all stages of life.

Worthy of Trust: We keep our promises and are committed to doing business the right way.

Our company has flourished, because we have earned people’s trust. We safeguard our customers’ interests. We comply with applicable laws and regulations.

Customer-Focused: We provide quality products and services that meet our customers’ needs.

We earn the loyalty of our customers by offering value that satisfies their needs. We do business with partners and vendors who respect our values, who adhere to our Code of Conduct, and who are ethical leaders in their industries.

Respect for Each Other: We are inclusive and collaborative, and individuals with diverse backgrounds and talents can contribute and grow.

We work together to build relationships based on mutual respect. We listen actively, speak honestly and act fairly. We reward our associates for conducting business with integrity.

Winning: We are passionate about becoming the unrivaled industry leader by achieving superior results for our customers, shareholders and communities.

We set challenging targets and continuously improve to win. We create long-term shareholder value by taking intelligent risks and behaving with integrity, while exceeding the competition.



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Underscored text links to related content within this document, prudential.com, or an external website.



MESSAGE FROM THE CHAIRMAN

I am pleased to present Prudential's inaugural Sustainability Report.

At Prudential, we strive to create long-term value for our stakeholders through strong business fundamentals, consistent with our mission, guided by our vision, and directed by our company's core values. Strength and quality underpin our success in helping individual and institutional clients achieve financial security. We keep our promises and are committed to doing business the right way.

As part of this commitment, Prudential has long played a leadership role across a range of issues within the area of Sustainability, including governance, risk management, compliance, diversity and inclusion, ethics, social responsibility, community and stakeholder engagement. These are crucial components of a business model and strategies that ensure Prudential's vitality well into the future.

Any enterprise that remains relevant and viable over the long term is carefully monitoring and influencing trends that may affect the Company and its industry. At Prudential, we continue to watch and, where appropriate, engage with leaders in these areas:

- Global economic and social volatility that may affect product performance and financial results;
- Changing public trust in business, particularly in financial services, which affects our engagement with stakeholders, and future employees and customers;

- Regulation and legislation focused on financial services businesses worldwide, including the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act;
- Best practices in leadership and talent management to ensure that Prudential is able to attract and retain the caliber of talent crucial to the success of our businesses;
- Environmental issues that may present risks and business opportunities for the Company; and
- The vitality of communities in which we work and do business, because it affects the lives and living conditions of our customers, employees and neighbors.

During the year covered by this report, our Board of Directors and senior leadership team made a number of decisions to better articulate and strengthen Prudential's sustainability efforts at the corporate level. We also elected to participate in the [International Integrated Reporting Pilot](#) to study leadership standards in sustainability reporting.

Our intention with our first report is to communicate our Sustainability commitments and activities in a clear, consolidated way. We hope that this report will engender constructive dialogue about issues meaningful to the Company and our constituents. As always, we welcome your [feedback](#).

Sincerely,

John Strangfeld

Chairman and Chief Executive Officer



MESSAGE FROM THE BOARD OF DIRECTORS

I am pleased to have the opportunity to communicate with you in Prudential's first Sustainability Report.

Board members oversee Prudential's activities with an eye on long-term viability, focusing on the Company's ability to keep its promises to clients, shareholders, communities and stakeholders. To that end, we oversee and guide policies and actions that support Prudential's progress across environmental, social and governance (ESG) areas.

This year, the Board emphasized our commitment to ESG initiatives in three ways:

- We expanded the Charter of the Corporate Governance and Business Ethics Committee to include the oversight of the Company's strategy regarding sustainability and environmental issues throughout our global businesses.
- We now include environmental, sustainability, and corporate responsibility experience among the skills that should be represented on the Board, as noted in our annual proxy statement.

- We endorsed the decision of senior management to create an executive position to coordinate ESG initiatives across the Company.

We believe that these actions, together with the publication of this report, illustrate our commitment to transparency and dialogue on issues that affect Prudential and our stakeholders.

I look forward to your [feedback](#) on our actions and our efforts.

Sincerely,

Constance J. Horner

Member, Board of Directors

Chair, Governance and Business Ethics Committee

ABOUT THIS REPORT

At Prudential, profitable and sustainable growth is rooted in a 137-year tradition of offering solutions to societal challenges. The strength of the Company's business fundamentals lies in delivering products that meet customer needs, maintaining financial stability, and integrating the Company's values into all aspects of our work.

Prudential's first consolidated Sustainability Report captures our commitments and practices as they relate to the environmental, social and governance categories, supported by the framework of the Global Reporting Initiative.

GRI FRAMEWORK

In producing this inaugural document, a variety of methods were considered, in order to present information on sustainability that is clear and provides non-financial information in a standardized, comparable way. We believe the [Global Reporting Initiative \(GRI\)](#) is best suited to this first effort.

The report follows the sustainability reporting framework of the GRI 3.1 Application Level C Guidelines, with reference to the Financial Services Sector Supplement. A Guidelines index

is presented on [page 36](#) with links to additional references like Prudential's 10-K, Annual Report, Proxy Statement, Carbon Disclosure Project filing and the Community Resources Annual Report.

HOW CONTENT WAS DETERMINED

The report discusses Prudential's performance during calendar year 2011. Except where noted, it addresses the parent company, comprising U.S. and international subsidiaries' operations, and does not include joint venture partnerships.

The following sections refer to U.S. operations only: Environment: Performance and employee engagement, Social: Training and development; Health, wellness and worklife; Veterans Initiative; Diverse Supplier and Service Provider Initiatives; Advocacy. Also, only those awards considered to be material to this report have been included on [page 34](#).

The report's content is organized to mirror the order of the categories of the acronym "ESG." It begins with a discussion of the Company's [environmental activities](#) ("A Commitment to a Sustainable Future"). Next, it covers the [social activities](#) that allow Prudential to flourish in a people-centered industry ("A Commitment

to Our People and Our Communities"). Finally, it discusses activities in the area of [governance](#) that are important to the Company's long-term success in a risk-management industry ("A Commitment to Responsible Leadership").

Prudential's approach to determining materiality and prioritizing content was informed by the GRI's Reporting Guidance for the Financial Services Sector Supplement, was guided by engagements with stakeholders and sustainability experts, and was influenced by the prevailing practices of peer companies. The Report is designed to be informative for all of Prudential's stakeholder groups as identified on [page 10](#), with the assumption that it will be used most frequently by shareholders, by other investors, and by current and prospective employees.



Prudential

About Our Company

PRUDENTIAL FINANCIAL, INC.

NYSE:PRU

Headquarters: Newark, New Jersey, USA

www.prudential.com

HIGHLIGHTS

- **\$901** billion in assets under management.*
- Approximately **\$3.6 trillion** of gross life insurance in force worldwide.**
- Serves institutional and individual customers in more than **35** countries.*
- Approximately **50,100** employees and sales associates worldwide.*
- Prudential Financial, Inc. Common Stock is traded on the New York Stock Exchange under the symbol "PRU."

THREE DIVISIONS

Prudential conducts its principal businesses through three divisions:

- the **U.S. Retirement Solutions and Investment Management Division,**

- the **U.S. Individual Life and Group Insurance Division,** and
- the **International Insurance Division.**

The Company also conducts corporate activities in **Corporate and Other** operations.

The businesses that comprise Prudential's three operating divisions and Corporate and Other operations are referred to collectively as "Financial Services Businesses." Prudential's Common Stock reflects the performance of the Financial Services Businesses.

Prudential Financial, Inc. (PFI) of the United States is not affiliated with Prudential plc, which is headquartered in the United Kingdom. Pramerica and Pricoa are trade names used by PFI and its affiliates outside the United States markets.

*As of 12/31/11.

**As of 12/31/11, includes Closed Block policies.



ORGANIZATIONAL OVERVIEW

DIVISION	BUSINESS SEGMENT	PRODUCTS AND SERVICES
U.S. RETIREMENT SOLUTIONS AND INVESTMENT MANAGEMENT DIVISION	Asset Management	Provides a broad array of investment management and financing solutions.
	Individual Annuities	Manufactures and distributes individual variable and fixed annuity products.
	Retirement	Provides retirement investment and income products and services to public, private and not-for-profit organizations.
U.S. INDIVIDUAL LIFE AND GROUP INSURANCE DIVISION	Individual Life	Manufactures and distributes individual variable life, term life and universal life insurance products.
	Group Insurance	Manufactures and distributes a full range of group life, long-term and short-term disability, long-term care, dental and corporate-, bank- and trust-owned life insurance primarily to institutional clients for use in connection with employee and membership benefits plans.
INTERNATIONAL INSURANCE DIVISION	International Insurance	Manufactures and distributes individual life insurance, retirement and related products, including certain health products with fixed benefits. The segment's international investment operations also manufacture proprietary products and distribute proprietary and non-proprietary products to meet client needs.



STAKEHOLDERS

The Company's stakeholders include:

- Shareholders
- Other investors
- Customers, both individual and institutional
- Employees and retirees
- Independent financial advisors and intermediaries
- Community leaders and neighbors
- Local, state, federal and foreign government officials
- State, federal and foreign regulators
- Suppliers, vendors, and business partners

Stakeholder relationships reflect the Company's historical and current business practices and emerging leadership forms of engagement.

COUNTRIES OF OPERATION/MARKETS SERVED

COUNTRIES OF OPERATION (LOCATION OF EMPLOYEES)

NORTH AMERICA	U.S. (including Guam), Mexico
ASIA	China (including Hong Kong), India, Japan, South Korea, Taiwan
SOUTH AMERICA	Argentina, Brazil
EUROPE	Germany, Ireland, Italy, Poland, U.K.

MARKETS SERVING INDIVIDUAL AND INSTITUTIONAL CLIENTS INCLUDE:

NORTH AMERICA	U.S. (including Guam), Canada, Cayman Islands, Mexico
ASIA	China (including Hong Kong), India, Indonesia, Japan, South Korea, Taiwan
SOUTH AMERICA	Argentina, Brazil, Chile
EUROPE	Austria, Belgium, Denmark, Ireland, Italy, Luxembourg, Netherlands, Poland, Sweden, Switzerland, U.K. (including Scotland)

FINANCIAL PERFORMANCE

Net income

Net income of Financial Services Businesses attributable to Prudential Financial, Inc. was \$3.4 billion or \$6.94 per share of Common Stock, in 2011, compared to \$2.5 billion or \$5.30 per share of Common Stock, in 2010.

Adjusted Operating Income

For 2011, on an after-tax adjusted operating income basis, Prudential recorded \$2.9 billion for the Company's Financial Services Businesses and posted earnings per share of Common Stock of \$5.84 compared to \$2.7 billion, or \$5.72 per share of Common Stock, in 2010.

Adjusted operating income is a non-GAAP measure of performance of Prudential's Financial Services Businesses that is adjusted for certain items. Adjusted operating income is not a substitute for income determined in accordance with generally accepted accounting principles (GAAP), and the adjustments made to derive adjusted operating income are important to an understanding of our overall results of operations. References to adjusted operating income and net income refer to amounts attributable to Prudential Financial, Inc.

For additional information about adjusted operating income and the comparable GAAP measure, including reconciliation between the two, please refer to our Form 8-K located on the [Investor Relations website](#) filed on April 26, 2012, which provides supplementary financial information for historical periods reflecting the retrospective adoption of revised U.S. GAAP accounting

standards related to deferred policy acquisition costs, as well as our Forms 10-K and 10-Q located on the [Investor Relations website](#).

Revenues

On an adjusted operating income basis, Prudential recorded \$39.4 billion of revenues for 2011 for our Financial Services Businesses compared to \$30.5 billion in 2010.

Sales

One of the ways that the Company gauges value to customers is in terms of sales and net flows.

SEGMENT	2011 SALES/ NET FLOWS
RETIREMENT	\$19.3 billion net flows
ASSET MANAGEMENT	\$20.2 billion net flows (excluding money market activity)
INDIVIDUAL LIFE INSURANCE	\$278 million sales*
INDIVIDUAL ANNUITIES	\$11.7 billion net flows
GROUP INSURANCE	\$690 million sales*
INTERNATIONAL INSURANCE	\$3.0 billion (on constant U.S. dollar basis) sales*

*Annualized new business premiums.

Assets Under Management

Prudential also measures its aggregate success in *total assets under management*, which were \$901 billion as of year-end 2011, up from \$784 billion from the previous year.

CORPORATE TRANSACTIONS

In 2011, Prudential completed the purchase of AIG Star Life Insurance Co., Ltd. and AIG Edison Life Insurance Co., and announced and completed the sales of Prudential Bache Global Commodities, and of Prudential Real Estate and Relocation Services, the Company's real estate brokerage and relocation services unit.

RATINGS

Prudential's domestic insurance company subsidiaries' Financial Strength rating as determined by the major independent rating agencies is as follows:

A.M. Best Company	A+
Fitch Ratings	A+
Standard & Poor's	AA-
Moody's	A2

Moody's does not rate Pruco Life Insurance Company of New Jersey or Prudential Annuities Life Assurance Corporation. Ratings as of May 2, 2012. For more information, please see the [complete chart](#).



ENVIRONMENT: Commitment to a Sustainable Future



“Prudential believes that a healthy environment creates and preserves value for our customers, employees and investors—and that deteriorating environmental conditions pose unacceptable challenges to our quality of life and our business.”

Mark Grier

Vice Chairman and executive sponsor for Sustainability

Prudential issued its [Environment Commitment](#) in 2009 with a strong statement about the Company’s understanding of climate change’s risks and opportunities:

We recognize the emerging risk of global climate change, and the impact it could have on our industry and our customers around the world. We have a strong corporate commitment to clean and renewable energy and energy efficiency, both in our operations and in our investments. We will continue to develop our understanding of climate and energy, and take actions that protect the environment and strengthen our businesses.

Progress has been made in many of Prudential’s environmental initiatives, but the Company’s goals are more far-reaching. Establishing a full-time executive position in Environment and Sustainability will enhance Prudential’s opportunity to make progress in 2012, especially in the area of measurement and reporting.

Prudential’s environmental commitment focuses on three areas of activity: Stewardship, Opportunity and Engagement.

ENVIRONMENT: STEWARDSHIP

Prudential is reducing its environmental footprint across its operationally controlled, owned and leased corporate home office domestic portfolio through sustainable processes and practices, along with evaluation and measurement of its operating practices, equipment specification and purchasing. These efforts are focused on the facilities that house large employee populations, like the Company’s headquarters and regional service centers.

Starting in 2007, Prudential implemented a program to reduce its carbon footprint and energy consumption throughout its U.S. offices, with a goal of decreasing the Company’s footprint by 10 percent by 2013. We are currently on target to meet or exceed that goal.



ANNUAL PERFORMANCE UPDATE U.S. –

ENVIRONMENTAL STEWARDSHIP: *Operationally controlled, owned and leased corporate home office domestic portfolio*

DESCRIPTION	2011	2010	PERFORMANCE
GHG Emissions (MTCO2-e) Note: Scopes- 1 and 2 broken out by actual unit of energy measure	Scope-1: 6,052MTCO2-e 120,641 MBTU Scope-2: 72,323MTCO2-e 141,691,249 Kwh Scope-3: 12,367MTCO2-e Totals: 90,742MTCO2-e	Scope-1: 5,836MTCO2-e Scope-2: 78,534MTCO2-e Scope-3: 12,422MTCO2-e Totals: 96,792MTCO2-e	6% Reduction
GHG emission progress towards 2012 goal of 10% reduction over 2007 levels	Company has reduced GHG emissions by more than 9 percent from 2007 levels		Prudential is on track to meet or exceed its CO2 emission reduction goal
Recycling (Tons)	3,430	2,032	69% Improvement
Water Usage (Gallons)	79,139,286	83,794,580	6% Reduction

Notes:

1. 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.
2. Scope-1 Emissions are from direct emission sources such as oil and natural gas consumption utilized by Prudential.
3. Scope-2 Emissions are from indirect emission sources such as emissions from power generation plants that supply electricity purchased by Prudential.
4. Scope-3 Emissions are optional emission sources from our employee business air travel (Short and Long Haul miles).

SPOTLIGHT

Stewardship – Information Technology

Prudential's global technology organization has a longstanding commitment to "green" Information Technology. Focused on enhancing efficiency and decreasing the Company's use of resources, this initiative also improves Prudential's operating results.

With an eye to reducing power utilization, data centers—very energy-intensive operations—are benefitting from computer virtualization and HVAC efficiencies. In addition, the Company has standardized EnergyStar technology, effectively replacing Prudential's entire population of desktops and laptops with energy-efficient equipment.

Once employee or data center equipment is deemed obsolete for the Company's purposes, it is either donated to nonprofits, sold to other firms that have use for it, or recycled through a firm certified to ensure environmentally responsible disposal.

ENVIRONMENT: OPPORTUNITY

Prudential's investment businesses have a long history of providing capital for important environmental businesses and projects, providing competitive returns for Prudential's clients while strengthening "green" industries.

Prudential Investment Management (PIM) manages \$619 billion (as of 12/31/11) in assets on behalf of Prudential's General Account, retail investors and institutional clients.

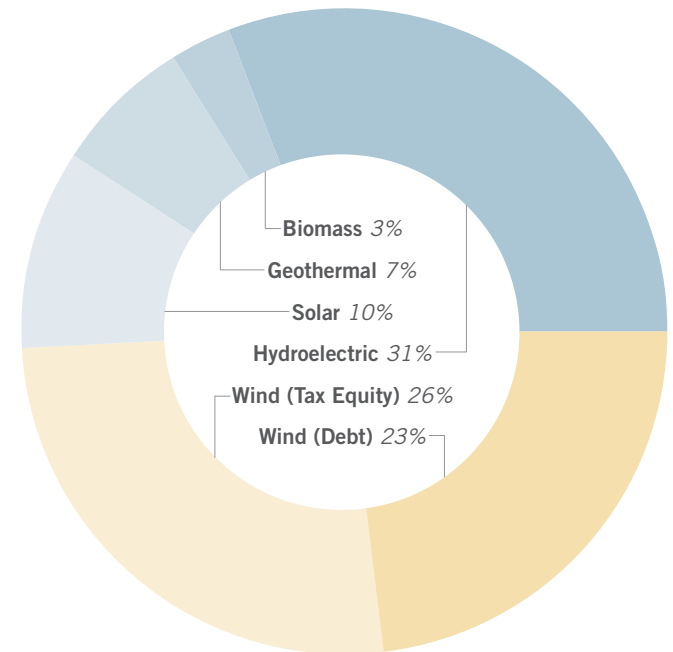
In conjunction with the release of Prudential's environmental commitment in 2009, PIM made two significant commitments that it continues to uphold:

- Consider environment, social and governance factors—to the extent they are material—in investment decisions.
- Join the Investor Network on Climate Risk—an organization that consists of institutional investors and asset managers committed to considering the investment opportunities and risks associated with climate change.

Of the seven businesses comprising PIM, three have investments or initiatives that support the environment:

- Prudential Capital Group manages a portfolio of renewable energy investments, valued at \$1.5 billion as of December 31, 2011.
- Prudential's Fixed Income group developed a Sustainability Policy to be released in 2012.
- A signatory to the United Nation's Principles for Responsible Investment, in 2011 Prudential Real Estate Investors adopted a [Socially Responsible Investment Policy](#).

Prudential's Renewable Energy Investments





“Our aim at Prudential Real Estate Investors is to look at every investment through a Sustainability lens with the ultimate goals of taking actions that benefit our investors, our tenants and our environment.”

Allen Smith
*Chief Executive Officer,
 Prudential Real Estate Investors*



Prudential's environmental symbol was created in 2009. It supports the ecological consciousness of employees, while indicating Prudential's commitment to stewardship. Usage guidelines for the symbol also ensure that environmental symbols created by external organizations are displayed appropriately.

SPOTLIGHT

PREI Leading the Field

Many institutional investors acknowledge that there is a challenge in identifying a material link between environmental, social and governance performance and investment returns in all asset classes. At Prudential Real Estate Investors (PREI) the link is very clear and tied to the performance of its portfolio. Starting with the release of Sustainable Standard Operating Guidelines in 2009 – an industry best practice – PREI began a sustainability initiative that covers millions of square feet of commercial real estate.

This initiative focuses on environmental issues, specifically minimizing the environmental impact of buildings, through improved energy efficiency, water use reduction, and waste/recycling best

practices. In 2010 PREI became a founding member of the Urban Land Institute's Greenprint Center for Building Performance to collect necessary data to measure the carbon emissions with third-party verification.

As the sustainable real estate market evolves, some investors have been seeking sustainability metrics for investment managers and their Funds. In 2011, PREI participated in the Global Real Estate Sustainability Benchmark (GRESB) survey and the Principles for Responsible Investment (PRI) Reporting and Assessment survey. Staff currently uses them to evaluate PREI's sustainability position in the marketplace and the opportunities for improvement. PREI issues an annual [Sustainability Report](#).

ENVIRONMENT: ENGAGEMENT

Internal

Prudential employees have demonstrated strong support for the Company's commitment to environmental responsibility. "Green Teams" have been created at a number of worksites, supporting initiatives and creating links to local community programs.

For example, Prudential's Green Team in Hartford, Connecticut, created a recycling initiative that supports a variety of the local nonprofits. Their

sponsoring business, Prudential Retirement, is resident in leased space in downtown Hartford. Concerned by the absence of a recycling program in their building, Team members set up recycling collection stations throughout their offices.

On a regular basis the nonprofits pick up recyclable material, which is then redeemed to generate income for the organization. During 2011, redemption of 695 pounds of bottles/cans and 136 pounds of batteries supported Prudential's nonprofit neighbors in Hartford.



78%

of Prudential employees participate in flexible work arrangements. Supported by a well-established program to enable telecommuting, these arrangements reduce greenhouse gas emissions while promoting employee work/life balance.

SPOTLIGHT

Communication with Shareholders

Since beginning a paper stewardship initiative, Prudential has focused on making optimal use of resources to communicate with our shareholders. For the Annual Report and Proxy documents produced in 2011:

- A carbon-neutral approach was taken through the use of Renewable Energy Certificates—190,000 pounds of carbon emissions were offset through the purchase of renewable energy certificates for the printing and production of Prudential’s Annual Report and Proxy Statement;
- The booklets were printed using vegetable-based inks;
- The chosen supplier has established corporate responsibility programs that include resource efficiency, waste minimization and sustainability from the ground up;

- The papers used are Lacey Act Compliant, produced under a Sustainable Forest Management Program and contain recycled content (10%);
- In addition to cost savings, using lighter weight, recycled papers resulted in the following:
 - Reduced paper tonnage
 - Saved trees
 - A significant reduction in BTUs of energy, water consumption and CO2
 - Fewer tractor trailer miles to move product
 - Less tonnage to be recycled or land filled at the end of use

The Company has also conducted a number of on-site training opportunities focused on strengthening employee understanding of and commitment to the Company’s environment-centered initiatives.

External

In 2011, Prudential supported a number of initiatives focused on heightening attention to and creating dialogue around environmental initiatives. These included:

- Support for the International Conservation Caucus Foundation
- Sponsorship of Investor Network on Climate Risk Investment Summit at the United Nations by Prudential Investment Management
- Underwriting of the “Garden State Green Fest” awards for New Jersey residents in conjunction with *The Newark Star-Ledger*, New Jersey’s most prominent newspaper



SOCIAL: Commitment to Our People and Our Communities





“I consider Prudential’s talent our number one competitive advantage. Providing an environment where the best and brightest people will want to come, stay and grow is one of my top priorities. My goal is for Prudential to be recognized throughout the industry for our unrelenting focus on talent.”

John Strangfeld
*Chairman and
 Chief Executive Officer*

86%

of Prudential’s domestic employees indicate they are proud to work for the Company – from the Annual Employee Opinion Survey

Our People



TALENT CULTURE

Prudential’s performance goals and its service to customers are achievable only through the collective efforts and capabilities of the Company’s employees. Prudential looks to continuously enhance the Company’s talent culture to maximize its ability to attract, retain and develop highly talented and skilled individuals now and in the future.

In 2011, Prudential elevated its focus on talent through integrated initiatives that place heightened attention on:

1. Developing leadership capabilities of all employees
2. Enhancing the succession planning process
3. Embracing diversity and strengthening inclusion in the workplace
4. Engaging current employees through a robust value proposition, and
5. Deepening the Company’s talent pipeline

EMPLOYEE ENGAGEMENT

The Company measures employee engagement in an annual global Employee Opinion Survey. Indicators assess employee evaluations of the Company’s performance in numerous categories.

Results are benchmarked against top quartile results of external companies and Prudential’s internal business units and divisions. Executive heads of work teams receive the results and are expected to use them to improve their team’s performance.

LEADERSHIP COMPETENCIES

In 2010, Prudential introduced new leadership competencies that defined what it means to be a Prudential leader for employees at all levels of the corporation. At the end of each year, all employees’ performance reviews considered the results achieved by each individual, as well as how that individual’s performance demonstrated the new leadership competencies.

The competencies are intended to inculcate the behaviors needed for Prudential’s short-term success and long-term vitality. They consider a range of qualities, including ethical behavior, strategy creation and execution, talent development, risk management, collaboration and external focus.

TRAINING AND DEVELOPMENT

Prudential’s process for employee development and performance management includes formal training, on-the-job activities, coaching, stretch assignments, networking and community involvement.

SPOTLIGHT

Health and Community

Members of Prudential's health staff regularly participate in addressing public health issues in Newark, New Jersey, the Company's headquarters city. In 2011, Prudential's Chief Medical Officer was active with the Greater Newark Health Care Coalition, a group focused on collaborating to significantly improve quality and access to health care for people residing in the Greater Newark Area.

Another member of the staff chairs the Obesity subcommittee of the Community Health Planning Partnership, and has overseen the donation of Prudential fitness equipment to city Recreation Centers and is leading the development of a historic walking trail in Newark.

The Company's approach to learning and development offers a mix of technology and classroom training to suit a variety of needs. Offerings include online courses, webinars, podcasts, and instructor-led sessions. Participants also have access to resources like industry conferences and training offered through company memberships in professional development organizations as well as a tuition assistance program.

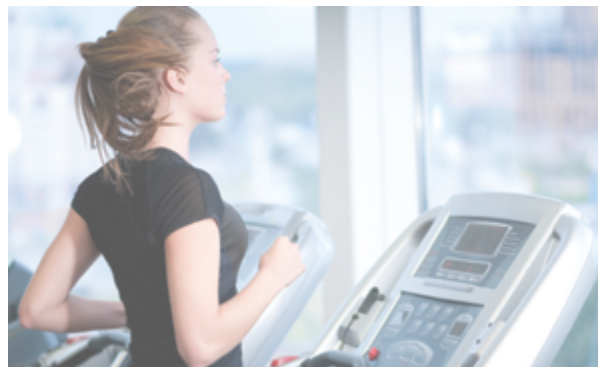
In addition, the Company's "leader led" philosophy to management and leadership development engages senior leaders throughout the organization to bring practical business experience into the

design and delivery of leadership programs. The newest courses focus on business acumen and include computerized business simulations.

HEALTH, WELLNESS AND WORK/LIFE

In 2011, Prudential employees celebrated the 100-year anniversary of the first health clinic established at the Company. Offering eight on-site clinics and a range of fitness, nutrition and supportive work/life services, Prudential's focus on employee health has grown into a range of initiatives addressing all aspects of employee well-being.

In 2011, Prudential received two awards recognizing a reduction in U.S. employee health risks from 2007 through 2010, which continued in 2011. This progress continued in 2011, with 78 percent of Prudential employees in the low-risk category.



DIVERSITY AND INCLUSION

Prudential has a longstanding commitment to diversity in its workplace and marketplace. With businesses in more than 30 countries, the Company seeks to employ talented, creative individuals from a variety of backgrounds,

worldviews and life circumstances in a workplace that is inclusive, welcoming of new ideas and appreciative of valuable experience.

Senior leader commitment and advocacy are foundation elements in achieving Prudential's vision of diversity and inclusion, which is integral to the strength of its talent, culture, business performance and company identity. Prudential's Chief Executive Officer, John Strangfeld, strongly supports Prudential's affirmative action programs, which are designed to provide equal employment opportunity for all qualified individuals.

Each year, the Chairman and Senior Vice President, Human Resources, update the Board of Directors on the Company's talent management programs and results, giving a prominent role to diversity and inclusion.

PRUDENTIAL PROFILE*	WOMEN	PEOPLE OF COLOR
Total Management (exempt employees)	48.7%	23.0%
Total Non-Management	56.2%	30.0%
Total Prudential	52.0%	26.0%

*U.S. Employees as of 12/31/11.

Prudential encourages employees to participate in Company-supported Business Resource Groups (BRGs). These six organizations serve as networks for employees to promote professional

development, while helping the Company to achieve its business objectives. In addition, they deepen Prudential's relationships with existing and emerging customer bases.

- Able and disAble Associates Partnering Together
- Asian/Pacific Islander American Association
- Black Leadership Forum
- Employee Association of Gay Men, Lesbians, Bisexuals and Transgenders
- Hispanic Heritage Network
- Military Veterans Network

Employees are also able to participate in a number of groups focused on advancement and career development of women. They include two groups that extend across the enterprise: Women in Finance, and the NEWS (Networking Enhances Women's Success) group, as well as a variety of organizations that focus on women working in specific Prudential businesses.

Along with BRG participation, Prudential employees are encouraged to participate in a variety of cultural and educational activities that recognize the traditions and milestones of the groups represented by BRGs.

Looking to the Company's future workforce, Prudential's Diversity team is collaborating closely with the Company's staffing/recruiting area to build a diverse pipeline of future recruits and employees. Efforts underway include building partnerships with colleges and universities that historically graduate

diverse students, intern programs that offer workplace development for minority students, and awareness-building partnerships with professional organizations like the National Society of Hispanic MBAs.

Financial Services and Diverse Markets

Prudential has encouraged and supported individual financial literacy since its founding. Along with educating and providing financial information to clients, customers and community members, Prudential has contributed to thought leadership in the field for more than a decade, sponsoring research on critical demographic segments such as Women, Hispanics and Asian Americans to learn how the financial services industry can better support the needs of these markets.



In 2011, building on recent research projects focused on diverse markets, Prudential launched "The African American Financial Experience," a study that reveals growing affluence in the African American community. In this

study, African Americans express optimism about their ability to achieve their financial goals, many of which reflect a strong focus on the well-being of the family and community. But while African Americans are looking for assistance and advice, 78 percent feel financial services companies have not effectively engaged the African American

community and, as a result, most do not use or have access to financial advisors.

Prudential will continue to explore and engage its diverse market base as these and other studies are conducted to track progress and emerging trends.

Veterans Initiative

In 2010, Prudential announced its commitment to supporting the productive re-entry of recent veterans into the workforce and their communities.



Noting the value that veterans bring, including practiced leadership, discipline, ability to perform in a fast-paced environment and a solid work ethic, the Company became the lead sponsor of VETalent, in collaboration with Workforce Opportunity Services and major universities. The program is designed to educate, train and prepare transitioning enlisted veterans for new careers. Successful completion of the program leads to certification from a major university and the opportunity for full-time employment with sponsoring companies.

In 2011, the program expanded from its initial home at Rutgers University's campus in Newark, New Jersey, to Fort Washington, Pennsylvania, and Jacksonville, Florida, in partnership with other major universities. Prudential also has regional service centers in these locations. The program's 2012 goals include involving more educational institutions and businesses, diversifying

professional areas of focus beyond information technology and reaching more areas of the U.S.

Prudential's recruiting programs place heavy emphasis on veteran hiring through participation in

SPOTLIGHT

The Inclusion Initiative

In 2009, Prudential and DuPont approached the National Association of Minority and Women Owned Law Firms (NAMWOLF) to collaborate on an initiative to increase spending by major corporations with women and minority-owned law firms. NAMWOLF agreed to provide administrative support for the initiative. During its first year, 11 founding members of the Initiative set—and exceeded—a \$30 million goal by spending \$42.6 million with diverse law firms.

Prudential's commitment to increase purchased services with diverse law firms has been tracked since 2006, increasing from \$700,000 spent that year to \$6.3 million in 2011.

The Inclusion Initiative is one part of Prudential's program to improve representation of women and minorities in all levels of the legal profession. Starting with high school students, proceeding through Law School graduation, entry into practice, and progress to partnership, Prudential's attorneys are active in a range of projects and strategic relationships to develop a more diverse profession.

veteran events, relationships with veteran groups, and recruiting at targeted colleges and universities. Job opportunities are automatically posted to veteran sites for positions at all levels. In 2011, Prudential hired 131 veterans, representing 4.1 percent of external hires.

Along with supporting veterans on the employment and career front, in 2011, Prudential announced a \$6.2 million/two-year funding commitment to help veterans and their families transition back into civilian life. In addition to funding support, Prudential employees have supported this work through a variety of volunteer projects.

Diverse Supplier and Service Provider Initiatives

As part of its diversity initiatives, Prudential is committed to providing meaningful opportunities for qualified diverse suppliers and service providers to compete for business. The Company recognizes that purchasing products and services from businesses that reflect the demographics of its markets contribute to the sustainability of communities, customers—and Prudential.

Prudential has increased its spend with minority- and women-owned businesses and firms by 90 percent since 2004. The Company is currently refreshing its procurement strategies, making goal setting for this program a part of that initiative.

Diverse suppliers, including veterans, service disabled veterans and certified minority- and women-owned businesses, may register with Prudential at www.prudential.com/supplierdiversity.

All suppliers must agree to a specific set of ethical business practices before any engagement with Prudential.

Prudential's diverse supplier base includes non-traditional areas, such as legal firms. The Company has led an initiative to encourage engaging certified MWBE firms by itself and with other major companies.

PRUDENTIAL'S STRATEGIC PARTNERS IN DIVERSIFYING THE LEGAL PROFESSION

Hispanic National Bar Association

Minority Corporate Counsel Association

National Asian Pacific American Bar Association

National Association of Minority and Women Owned Law Firms

National Bar Association

NJ LEEP

National LGBT Bar Association

National Association of Women Lawyers



The active involvement of Prudential's founders in Newark's civic affairs marked the start of the Company's long tradition of employee community engagement. As Prudential began its expansion outside the United States, the Prudential CARES logo was created to identify and align Prudential's multinational volunteer initiatives.

Our Communities



In today's terms, Prudential's founding business model would be described as a commitment to helping improve the lives and living conditions of working families through microinsurance. The Company's first customers thought of Prudential as the firm that helped them ensure a better future for their families through life insurance available for as little as three cents a week.

Whether they are involved in helping customers grow and protect their assets, making capital available to stimulate business and economic growth or actively engaging with neighbors to redevelop communities, Prudential people have prided themselves on working for a principled company with a purpose. Over its 137-year history, Prudential's original commitment to responsible corporate citizenship has deepened and expanded into thoughtful, purposeful interactions with leaders, neighbors and business partners.

COMMUNITY INVOLVEMENT

As part of the Company's mission to grow and protect the wealth of its customers, Prudential and its [Community Resources Department](#) have a long history of growing and protecting community assets.

Prudential was founded in Newark, New Jersey, in 1875 and the Company's world headquarters have remained in that city. Prudential's commitment to the city embraces all the tools of corporate community involvement, along with the active engagement of many of Prudential's senior leaders in important city initiatives like the recent construction of the Prudential Center and the success of the New Jersey Performing Arts Center, home of Prudential Hall.

Across the globe, the Company's corporate citizenship strategy leverages multiple resources to support partnerships that align employee interests and Prudential's long-term sustainability with the goal of strengthening communities. Areas of focus include: Strengthening public education, revitalizing urban centers and improving the effectiveness of the nonprofit sector.

Prudential's Community Resources Department deploys several tools and resources in communities where Prudential people work and live:

- **Grants:** The Prudential Foundation is an independent nonprofit supported entirely by contributions from Prudential Financial. In 2011,



175,000

In Company-sponsored programs alone, Prudential employees contributed more than 175,000 hours through projects ranging from donation drives, coaching and mentoring initiatives, through pro bono consultancies and nonprofit board service.

SPOTLIGHT

Social Investments

Prudential established what is now Social Investments in 1976. Since then, it has invested more than \$1.4 billion, supporting projects that develop and preserve affordable housing, improve access to quality education, and connect neighborhoods and residents to economic opportunities. Social Investments provides financing in a variety of forms and works with a diverse array of partners, including for-profits and nonprofits.

The portfolio provides discounted capital, investing in projects that might not otherwise receive consideration from traditional investors. As of December 21, 2011, Social Investments managed \$331 million in active investments and

made almost \$62 million in new investments in 2011.

In 2011, Prudential's Social Investments program worked closely with the U.S. Fund for UNICEF (U.S. Fund) to help create and launch the UNICEF Bridge Fund (Bridge Fund) with an investment of \$7.5 million. The Bridge Fund is a program offered by the U.S. Fund that can incur debt and will provide a source of working capital for the UNICEF Supply Division, enabling better pricing for purchased products and commodities and accelerated delivery of these critically needed supplies throughout the world.

More information on the program is available at the [Social Investments website](#).

the Foundation contributed nearly \$29 million to nonprofits across the globe, including \$2.2 million of a \$6.1 million commitment to disaster relief in Japan.

- **Corporate contributions:** Prudential also directly supports nonprofits with funds that assist fundraising events, volunteer projects and other initiatives. In 2011, Prudential gave more than \$11 million, which included \$3.1 million to organizations supporting veterans returning from Afghanistan and Iraq.
- **Employee community engagement:** Prudential employees strongly support their communities

as private citizens and Company employees. In Company-sponsored programs alone, Prudential employees contributed more than 175,000 hours through projects ranging from donation drives, coaching and mentoring initiatives, through pro bono consultancies and nonprofit board service.

- **Social Investments:** Prudential has a long tradition of making investments that support and improve communities (described further below).

Further information on grants made by the Prudential Foundation can be found in Prudential's [Community Resources Annual Report](#).

SPOTLIGHT

Spirit of Community

Prudential encourages and supports the strong commitment of Company employees to community engagement. In addition, the Company has played a major role in building the next generation of community leaders and volunteers.

The Prudential Spirit of Community Awards program is the United States' largest youth recognition program based exclusively on volunteer community service. The program was created in 1995 by Prudential in partnership with the National Association of Secondary School Principals to honor middle level and high school students for outstanding service to others.

During the past 16 years, more than 310,000 young Americans have participated in the program, and nearly 100,000 of them have been officially recognized for their volunteer work.



ADVOCACY – CRUCIAL TO SUSTAINABILITY

Alongside its active corporate citizenship, the Company maintains an active profile in the legislative and regulatory processes for the benefit of customers and shareholders. Thoughtful, effective regulation designed to support financial strength is the foundation of Prudential's ongoing dialogue with policymakers who are examining the regulatory framework for financial services companies.

Prudential's approach has three characteristics:

- A balanced and bipartisan perspective
- Accurate information
- Transparency

Activities include direct lobbying, working with state and federal trade associations and coalitions, sponsoring of political action committees (PACs).

Prudential policy prohibits contributing corporate funds to support candidate committees.

Transparency

Prudential produces an annual report on the Company's policies and procedures for political activity as well as the direct disbursement activity of the Company-sponsored PACs. The report includes the annual dues, assessments and contributions of \$50,000 or more paid by Prudential to trade associations, as well as the portion of these dues and assessments attributable to the lobbying activities of those organizations.

The process underlying Company choices considers implications across the enterprise and across the industry, and how our shareholders and customers may be affected. Inquiries about Prudential's activities or its PACs may be addressed to prudential.pac@prudential.com



GOVERNANCE: Commitment to Responsible Leadership

“For more than 135 years, Prudential has been committed to helping clients achieve financial security and peace of mind. Millions of people around the world trust us to fulfill this promise. Only by doing business the right way, every day, can we continue to be worthy of their trust.”

John Strangfeld
*Chairman and
Chief Executive Officer*

Board Leadership



“Shareholders want disclosure in a form they can understand. Trust in governance and management is strengthened by creating transparency through shareholder engagement and two-way communication.” – Peggy Foran, Chief Governance Officer

Over the long term, effective corporate governance is essential to corporate performance. For Prudential, “effective” means leadership by a management team of integrity under disciplined oversight from the Board of Directors, a commitment to shareholder and stakeholder engagement, and creation of sustainable value through business fundamentals, corporate social responsibility and environmental stewardship.

BOARD PRINCIPLES/COMMITTEE CHARTER

In its governance role, the Board has continuously improved to meet or exceed changing expectations of public companies and their governing boards. To this end, the Board has adopted [Corporate Governance Principles and Committee Charters](#) to guide its independent oversight. Specific

information about composition, qualifications and experience of the board are available in the [2012 Proxy Statement](#).

BOARD STEWARDSHIP

The Board’s stewardship on behalf of shareholders and stakeholders focuses on five main areas:

- Oversight of business strategies;
- Management of risk;
- Talent management and succession planning;
- Oversight of executive compensation programs tied to performance of the Company’s core businesses and long-term shareholder interests;
- Implementation of strong governance practices, emphasizing shareholder engagement.

SHAREHOLDER ENGAGEMENT

Recently, laws and regulations have increased the amount of disclosure required of financial services firms. Understanding that leadership goes beyond compliance, in 2011 Prudential’s Board and executive team proactively engaged with shareholders to improve communication, increase transparency, strengthen mutual trust and encourage dialogue on issues of shared concern. This initiative included:

- The proxy statement was made even more reader-friendly through the use of plain language, clear summaries, easy-to-read charts, graphs and highlight boxes. In addition, a signed letter from Prudential’s board signaled their commitment to transparent, direct engagement with shareholders.

SPOTLIGHT

Voter incentive

In an effort to engage with more of its registered shareholders, in 2010 Prudential created an incentive program to encourage voting in the Company's annual election. Shareholders who voted were offered the opportunity to have a tree planted on their behalf by American Forests or to receive a reusable eco-friendly tote bag.

In 2011, Prudential continued the incentive initiative. In 2011, more than 117,000 shareholders elected to plant a tree and 85,000 elected to receive the tote bag. Overall, during the past two years, nearly 100,000 more shareholders voted than in previous years.



- Prudential executives and Board members met with investors and their advisors.
- Information about Governance at Prudential was consolidated into one [website](#) that offers users easy access to information pertinent to shareholders and stakeholders.
- Feedback was routinely solicited from our shareholders through a number of mechanisms, including a revamped email portal. In 2011, the Board received 4,500 comments from shareholders on issues of importance.

BOARD RESPONDS TO SHAREHOLDERS

The Board and Company have taken action on the issue of executive compensation policies and practices. As one of the first companies to proactively adopt a shareholder advisory “say on pay” vote, Prudential has seen the value of shareholder and stakeholder feedback and elected to hold future “say on pay” votes annually.

In addition, the Company has made changes in its executive compensation programs. These changes, more fully described in the [Proxy Statement](#), include:

- **Compensation rebalancing** to better align the mix of compensation with market and competitive practices and to tie more of the compensation of the named executive officers to longer term performance and risk outcomes.
- Changes to the **design and disclosure of our executive compensation** program for 2012.

And, by expanding the charter of the Corporate Governance and Business Ethics Committee, and by including sustainability skills and experience in director qualifications, the Board is embedding sustainability into the Company's decision making.

QUICK FACTS: PRUDENTIAL'S SHAREHOLDERS (as of December 31, 2011)

468,038,651

Shares Outstanding

1,896,541

Total number of registered holders

26%

of Prudential's shares were owned by registered holders

64%

of Prudential's shares were owned by institutions

Approximately

10%

of Prudential's shares were owned by banks/brokers/retail operations

BOARD OF DIRECTORS GOVERNANCE PRACTICES

Director Independence

Number of independent Directors ¹ out of 13 total Directors	11
Separate Chairman and CEO	No
Independent Lead Director ² elected by independent Directors	Yes
Mandatory Retirement Age	74

Director Diversity

- Two directors have worked outside the United States;
- Two directors are African-American;
- One director is Asian-American;
- One director is Hispanic; and
- Three directors are women.

Director Elections

Annual Board of Director elections	Yes
Directors elected by majority of votes cast in uncontested election	Yes

Board Meetings

Number of Board meetings held in 2011	11
Average Director Attendance at board and committee meetings (percentage)	98
Independent Directors hold meetings without management present	Yes

Board Committees

Independent Audit Committee	Yes
Audit Committee Financial Experts as defined by the SEC	3
Independent Compensation Committee	Yes
Independent Corporate Governance and Business Ethics Committee	Yes
Independent Finance Committee	Yes
Independent Investment Committee	Yes

Published Corporate Governance Principles and Practices

Corporate Governance Principles approved by the Board	Yes
Charters for Board Committees	Yes
Charter for Lead Independent Director	Yes

Evaluating and Improving Board Effectiveness

Annual Board self-evaluation	Yes
Annual review of Board independence	Yes
Key Committee self-evaluation	Yes
Board orientation/education program	Yes

Aligning Director and Shareholder Interests

Conflict of Interest Policy	Yes
Executive and Director stock ownership guidelines	Yes
Annual equity grant to non-employee Directors	Yes
Annual “say on pay” vote on executive compensation	Yes
Disclose political contributions and trade association memberships	Yes
Poison Pill	No
Management Succession Planning	Yes
Independent Compensation Consultant retained directly by the Compensation Committee	Yes
Executive Compensation Clawback Policy ³	Yes ³

Additional information is available at [Prudential’s Governance website](#).

¹ Meeting New York Stock Exchange rules for Independence.

² The Lead Director reviews and approves Director meeting materials and agendas, and is available to meet with shareholders as appropriate.

³ In 2010, Prudential included a clawback provision in our new Book Value Performance Program. We intend to adopt a general clawback policy covering our annual and long-term incentive award plans and arrangements once the SEC adopts the final implementation rules.

“Intelligent risk management is the heart of insurance and investment businesses. The careful balancing of risk and reward is paramount to maintaining Prudential’s long-term financial strength while producing differentiated returns for stakeholders.”

Nicholas Silitch
Chief Risk Officer

Risk Management



Prudential’s risk profile follows from decisions made about the Company’s business mix. By thoughtfully diversifying its portfolio of businesses, Prudential diversifies risks, mitigating the vulnerability of the Company’s overall results and capital position to any particular element of risk, including credit, interest rates and equity market volatility.

Decisions start with the annual business planning/ capital planning cycle, as the businesses present their capital needs for the following year, including a description of key drivers and a discussion of major risks and opportunities. The plans consider a variety of categories of risk, including financial, morbidity, mortality, longevity, operating, legal, regulatory and reputational exposures.

These plans are consolidated into an overall capital plan, for approval by the Board. Once approved, as the businesses execute their strategies, day-to-day risk management accountabilities are housed in the businesses, supported by risk functions at the corporate level.

RISK MANAGEMENT PHILOSOPHY

Prudential’s risk management philosophy is based on well-defined principles:

- Business decisions are made based on evaluating potential risks and potential rewards, grounded in strategic reviews by our Board of Directors.
- Risks are evaluated and managed both within and across our businesses, and these risks are controlled or mitigated based on our overall enterprise and business level risk tolerance.
- Risk is managed where it is taken—at the business level—under appropriate enterprise and business governance structures, policies, standards and limits.
- A strong risk management culture assigns accountability to every associate to take intelligent risk.
- There is clear authority and ownership for risk taking and risk oversight.

BOARD OVERSIGHT

Senior management is responsible for the management and control of risk at Prudential, subject to oversight by the Board. They are supported by a risk governance structure that defines the role of the Board, each business and each corporate function in risk management. Stated risk policies and limits, and risk preferences and tolerances anchor business and enterprise decisions.

“Living up to high ethical standards means doing more than just what the law obliges, and often, more than customers expect or ask. Each Prudential employee is required to demonstrate a strong moral compass to maintain the trust and confidence of our shareholders, customers and associates.”

Michele Ansbacher
Corporate Chief Ethics Officer

During 2011, the full Board received reports on the most important strategic issues and risks facing Prudential. In addition, the Board and committees received regular reports from the Company's Chief Risk Officer and other senior management regarding compliance with risk-related policies, procedures and limits.

Specific information on the risks to which Prudential is exposed is described in Item 1-A of the Company's [10-K filing for 2011](#), including risks associated with economic and market conditions; risks specific to Prudential's insurance, asset management, and other businesses; as well as legal, regulatory, and catastrophe risks and other factors.

Ethics



Since 1994, Prudential's enterprise ethics office has guided and integrated Prudential's global business ethics program around the world. The Company's ethics program is founded on the belief that an ethical culture is the foundation

of a compliant organization. It actively supports Prudential's commitment to high ethical standards by promoting behavior consistent with Prudential's code of conduct, *Making the Right Choices*, and by fostering a culture that promotes prevention, detection, and resolution of potential misconduct.

Prudential encourages employees to go to management or local business ethics officers, who are located within Prudential's businesses and functional areas, for advice on ethical issues and for reporting potential violations of standards or policies. The Company also promotes its 24/7 global reporting mechanisms as additional resources, and regularly communicates to employees that it does not tolerate retaliation against employees who voice concerns.

To encourage and reinforce an ethical culture, employees are given tools and materials, which are reinforced by "Ethics Awareness Month" each March and messaging throughout the year. There is ongoing ethics training for employees along with a new employee orientation process that requires starting associates to complete an ethics training course and commit to the behaviors outlined in the Code.

ETHICS PROGRAM PRINCIPLES

Prudential's ethics program is based on essential principles of behaviors and accountability. The following is part of *Making the Right Choices*:

“Our core values drive our behaviors, and are central to every aspect of our Code of Conduct.

100%

Each year, 100 percent of all Prudential's businesses and corporate functions are analyzed for risks related to corruption.

When we are guided by our values, we operate according to the following essential principles upon which our entire Code of Conduct is based:

Essentials of our Code of Conduct

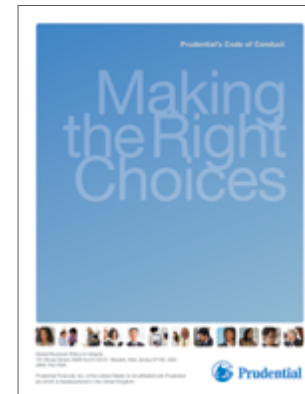
- I act with integrity and make decisions based on high ethical standards.
- I understand and honor the letter and spirit of the laws and regulations that apply to our businesses.
- I foster a fair, respectful, and collaborative work environment.
- I instill and maintain trust in dealings with our customers, shareholders, and partners.
- I understand that managing risk is our business and the responsibility of every Prudential associate.
- I understand that protecting information and assets is critical in meeting our obligation to our customers, our employees, our shareholders and Prudential.”

Accountability and Oversight

- Promoting an ethical culture is the responsibility of each employee.
- Selected senior leaders in business units and functional areas serve as local business ethics officers with a matrix reporting relationship to the corporate chief ethics officer.
- A committee of Prudential's Board of Directors—the Corporate Governance and Business Ethics Committee—oversees the Board's corporate governance procedures and practices and provides

oversight of the Company's ethics and conflict of interest policies.

- The Audit Committee of Prudential's Board of Directors has established Global Business Ethics and Integrity as the central facility for the receipt, retention and treatment of any complaints received from internal or external sources regarding accounting, internal accounting controls or auditing matters.



In 2011, the Company revisited the Code of Conduct to make the document more culturally relevant and user-friendly across Prudential's geographies. Advice from the industry was sought to align the Code with best

practices. The document was translated into 12 languages and distributed across Prudential's operations.

MEASURING PRUDENTIAL'S ETHICAL CULTURE

Prudential's annual employee opinion surveys measures the strength of the Company's global ethical culture. In addition to analyzing responses to specific questions about ethics, the Company assesses the strength of its ethical culture by reviewing other areas relative to business climate and management support. Measurements indicated that a strong ethical foundation was present in Prudential businesses around the world.



“Trust that Prudential will keep its promises and trust that Prudential will continue to do so in the right ways is the foundation of our business. We aspire to that trust with all of our stakeholders, including our regulators.”

Lee Augsburger

Senior Vice President and Chief Ethics and Compliance Officer

Compliance



Robust policies and procedures guide decisions that reflect Prudential’s commitment to doing business in accordance with relevant law and regulation. While it is every employee’s responsibility to know and follow applicable regulations, the complexity of legal obligations facing our businesses requires a strong compliance structure to undergird the Company’s commitment.

The compliance organization partners closely with the law department which identifies and interprets law and regulation applicable to Prudential’s businesses. Compliance associates assist business partners to analyze their business processes for compliance with relevant regulation. Monitoring processes or “Compliance Procedures” are then established to determine that business processes with the highest regulatory exposure continue to operate in compliance. As issues arise, they are escalated immediately to local management—and, when necessary, to senior management.

Prudential’s Compliance Program involves approximately 375 compliance associates, primarily embedded in and directly supporting

individual business units focusing on each of their unique regulatory concerns. Some 20 percent of the department addresses compliance efforts that cut across much or all of the Company such as anti-money laundering, anti-corruption, privacy and material non-public information. All compliance associates have a solid reporting line to Prudential’s Chief Compliance Officer.

EXTERNAL COMPLIANCE PROGRAM REVIEW

The compliance program is modeled on the U.S. Federal Sentencing Guidelines for Organizations. Each element of the Guidelines is incorporated into the program which has been extensively reviewed by outside experts. The program is led by a senior officer who has direct access to and who formally reports to the Board’s Audit Committee regularly throughout each year, as well as to the Chairman of the Board.

Regulatory risk assessments dictate the allocation of resources and focus of the compliance program. Regulatory obligations with high potential impact are addressed through intensive employee training and rigorous monitoring of business processes. Areas of lesser potential impact are tested on a more infrequent basis, subject of course to increased scrutiny if problems are identified. Metrics have been developed for areas of high regulatory risk that are distributed to and formally reviewed by the senior leaders of the compliance organization.

A comprehensive review of litigation risk addressed in 2011 can be found in the Prudential Financial, Inc. [10-K filing](#) with the Securities and Exchange Commission.



MAJOR AWARDS RECEIVED 01/01/2011 THROUGH 12/31/2011

CORPORATE
FORTUNE® World’s Most Admired Company No. 2: Insurance: Life and Health Category
Best Proxy Statement <i>Corporate Secretary</i>
All-America Awards Best CEO and Best Investor Relations Professional
Jefferson Award Outstanding Service by a Major Corporation
Best Employer for Health Lifestyle Award Platinum level
C. Everett Koop National Health Award
Mexican Center for Philanthropy Socially Responsible Company (Prudential Seguros Mexico, SA)

PRODUCTS, SERVICES AND SUBSIDIARIES
J.D. Power Asia Pacific Life Insurance Contract Customer Satisfaction Study Highest Ranking
Global Real Estate Sustainability Benchmark Foundation Green Star designation for Prudential Real Estate Investors (Latin America) PLA Retail Fund I

WORKPLACE INCLUSION
Working Mother “100 Best Companies”
Latina Style “50 Best Companies for Latinas in the U.S.”
Human Rights Campaign 100% ranking, Corporate Equality Index
National Association for Female Executives “Top 50 Companies for Women”
Hispanic Business “Diversity Elite 60”
Military Times EDGE “Best for Vets Employers”
GI Jobs “Great Place to Work for Veterans”
Black Enterprise “Top 40 Companies for Diversity”
ComputerWorld “100 Best Places to Work in IT”
DiversityInc. “Top 50 Companies for Diversity”
Great Place to Work in partnership with the Brazilian Association for Human Resources “Top 100 Best Companies for Work for in Brazil” (Prudential do Brasil Seguros de Vida S.A.)

Are you considering printing some portion of this Sustainability Report? [GreenPrint](#) offers assistance to readers who are interested in printing in a more environmentally friendly way.

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Statement GRI Application Level Check

GRI hereby states that **Prudential Financial, Inc.** has presented its report "Commitment to Progress, Prudential Financial, Inc. 2011 Sustainability Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level C.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 15 June 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex".

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 6 June 2012. GRI explicitly excludes the statement being applied to any later changes to such material.



GRI INDEX

GRI INDICATOR	DESCRIPTION	REPORTING LEVEL	PAGE	LINK TO SUPPORTING INFORMATION
STRATEGY AND ANALYSIS				
1.0	Statement from the most senior decision maker of the organization	Full	4	
ORGANIZATIONAL STRUCTURE				
2.1	Name of organization	Full	8	
2.2	Primary brands, products and/or services	Full	8	click here
2.3	Operational structure of the organization	Full	8	click here
2.4	Location of the organization's headquarters	Full	8	
2.5	Number of countries where the organization operates and names of the countries with major operations or that are specifically relevant to the sustainability issues covered in the report	Full	10	
2.6	Nature of ownership and legal form	Full	28	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers)	Full	10	
2.8	Scale of the reporting organization	Full	8	
2.9	Significant changes during the reporting period regarding size, structure, or ownership	Full	11	
2.10	Awards received in the reporting period	Full	34	
REPORT PARAMETERS				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	Full	6	
3.2	Date of most recent (if any)	Full	6	
3.3	Reporting cycle (annual, biennial, etc.)	Full	6	
3.4	Contact point for questions regarding the report or its contents	Full	38	
3.5	Process for defining report content	Full	6	
3.6	Boundary of the report	Full	6	
3.7	State any specific limitation on the scope or boundary of the report	Full	6	



GRI INDICATOR	DESCRIPTION	REPORTING LEVEL	PAGE	LINK TO SUPPORTING INFORMATION
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between the organizations	Full	6	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	Partial	6	
3.10	Explanations of the effect of any re-statements on information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/ periods, nature of business, measurement methods)	Not applicable – no previous report		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Not applicable – no previous report		
3.12	Table identifying the location of the Standard Disclosures in the report	Full	35-38	
GOVERNANCE, COMMITMENTS AND ENGAGEMENT				
4.1	Governance structure of the organization	Full	29	click here
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	Full	29	click here
4.3	Number of independent Board members	Full	29	click here
4.4	Mechanisms for communication with the Board	Full	29	click here
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Full	29	click here
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	Full	29	click here
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Partial	2, 32	click here
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Full	29	click here



GRI INDICATOR	DESCRIPTION	REPORTING LEVEL	PAGE	LINK TO SUPPORTING INFORMATION
4.13	Membership in associations (such as industry associations) and/or national/international advocacy organizations in which the organizers: Have positions in governance bodies; Participate in projects or committees; Provide substantive funding beyond routine membership dues; or View membership as strategic	Partial	25	click here
4.14	List of stakeholder groups engaged by the organization	Full	10	
4.15	Basis for identification and selection of stakeholders with whom to engage	Full	10	
4.16	Approaches to shareholder engagement	Full	10	click here
4.17	Key topics raised through shareholder engagement	Partial	27	click here
PRODUCT RESPONSIBILITY				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Full – no significant fines		
ECONOMIC				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Full	24	click here
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Partial	15-16	click here
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind impacts, or pro bono engagement	Partial	24	click here
ENVIRONMENTAL				
EN3	Direct energy consumption by primary energy source	Partial	14	click here
EN4	Indirect energy consumption by primary source	Partial	14	click here
EN5	Energy saved due to conservation and efficiency improvements	Full	14	click here
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Full	14	click here
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Full	14	click here



GRI INDICATOR	DESCRIPTION	REPORTING LEVEL	PAGE	LINK TO SUPPORTING INFORMATION
EN8	Total water withdrawal by source	Full	14	
EN16	Total direct and indirect greenhouse gas emissions by weight	Full	14	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Full	14	
EN22	Total weight of waste by type and disposal method	Partial	14	
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Full – no significant fines or sanctions		
LABOR				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	Partial	20	click here
LA8	Education, training, counseling, prevention and risk-control programs to assist workforce members, their families, or community members regarding serious diseases	Full	20	click here
LA11	Programs for skills and lifelong learning that support the continued employability of employees and assist them in managing career endings	Full	19-20	click here
LA13	Composition of governance bodies and breakdown of employees per employees category according to gender, age group, minority group membership, and other indicators of diversity	Partial	20, 29	click here
FS16	Initiatives to enhance financial literacy by type of beneficiary	Partial	21	click here
SOCIETY				
S02	Percentage and total number of business units analyzed for risks related to corruption	Full	32	
S05	Public policy positions and participation in public policy development and lobbying	Partial	25	
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	Full	25	click here
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Full – no significant fines		

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

Mary O'Malley

Vice President, Environment and Sustainability

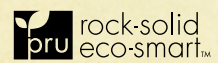
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