

PGIM FUNDS PLC
70 Sir John Rogerson's Quay
Dublin 2
Ireland

(子基金間具獨立責任之傘型基金)

2021 年 3 月 11 日

本通知寄送予 PGIM Funds plc (下稱「本公司」)之股東。本通知十分重要並需要您即刻之關注。若您對於接下來所採取的行動有任何疑問，您應立即諮詢您的股票經紀人、律師或其他專業顧問。若您出售或以其他方式轉讓於本公司之持股，請您將本通知寄給股票經紀人或其他進行銷售或轉讓之代理機構，以將其轉發予買方或受讓人。

本通知尚未經愛爾蘭中央銀行(下稱「中央銀行」)審核，且有可能為符合中央銀行之要求而更動內容。本公司之董事(下稱「董事」)認為本通知之內容並未違反中央銀行之規範。

董事已盡所有合理注意義務，以確保截至本通知之日本通知內所載之資訊均與事實相符，且未忽略任何可能影響該資訊之內容。董事將為本通知之內容負責。

本通知未特別定義之術語或用詞與經 2021 年 3 月 10 日以增補文件增補之 2021 年 1 月 29 日公開說明書，以及不時修訂之基金補充文件內之定義一致。

親愛的股東：

固定收益 UCITS ESG 政策聲明

我們以您做為本公司股東之身分特此來信通知您，PGIM 固定收益已更新其 UCITS ESG 政策聲明(下稱「ESG 政策」)，請參本通知之附件。

ESG 政策也可至 PGIM Funds plc 網站 (<https://www.pgim.com/ucits/literature>) 查詢。

若您有任何問題，請向您的專業顧問諮詢。

誠摯地

PGIM Funds plc

PGIM 固定收益
UCITS ESG 策略聲明及公開揭露第 10 條
2021 年 3 月 10 日

介紹

PGIM 固定收益(下稱「**PGIM 固定收益**」)整合環境、社會以及公司治理(「**ESG**」)議題於投資研究與決策流程，因 PGIM 固定收益相信 ESG 議題得影響投資組合之績效。換言之，於進行或評估投資時，我們將 ESG 議題隱含之風險/報酬納入考量。我們進行上開行為之方式載於 PGIM 固定收益之獨立政策，且可應要求提供，並可於下列網站查詢：<https://www.pgim.com/fixed-income/sfdr-information>。

作為《責任投資原則》(下稱「**原則**」)之簽署人，基於受託責任，我們致力於採用及實施該原則。我們亦認知到，適用《聯合國全球盟約》(下稱「**UNGC**」)與《聯合國永續發展目標》(下稱「**UNSDG**」)之原則，可使投資者與更廣泛之社會目標一致並於適當之時點考慮該等原則。基此，已設置 PGIM 固定收益 ESG 委員會(下稱「**ESG 委員會**」)擔任監管組織，以指導與監督 PGIM 固定收益 ESG 相關活動，包括成立並監督 PGIM 固定收益 ESG 影響評等框架，以及成立並維持適用於固定收益基金之 ESG 考慮因素與限制(見後述)。

《歐盟永續財務揭露規範》(下稱「**SFDR**」)要求受歐盟規範之機構(包括本公司)於公開網站上揭露特定金融商品有關環境或社會特色之推廣資訊。如下列所述，附錄 1 所列之特定金融商品推廣永續性特色(見後述)(「**分類 3 基金**」或「**淺綠色基金**」)，且此政策聲明係基於 SFDR 第 10 條，就淺綠色基金所為之透明性揭露，上開資訊可於下列網站查詢：<https://www.pgim.com/ucits/literature>。

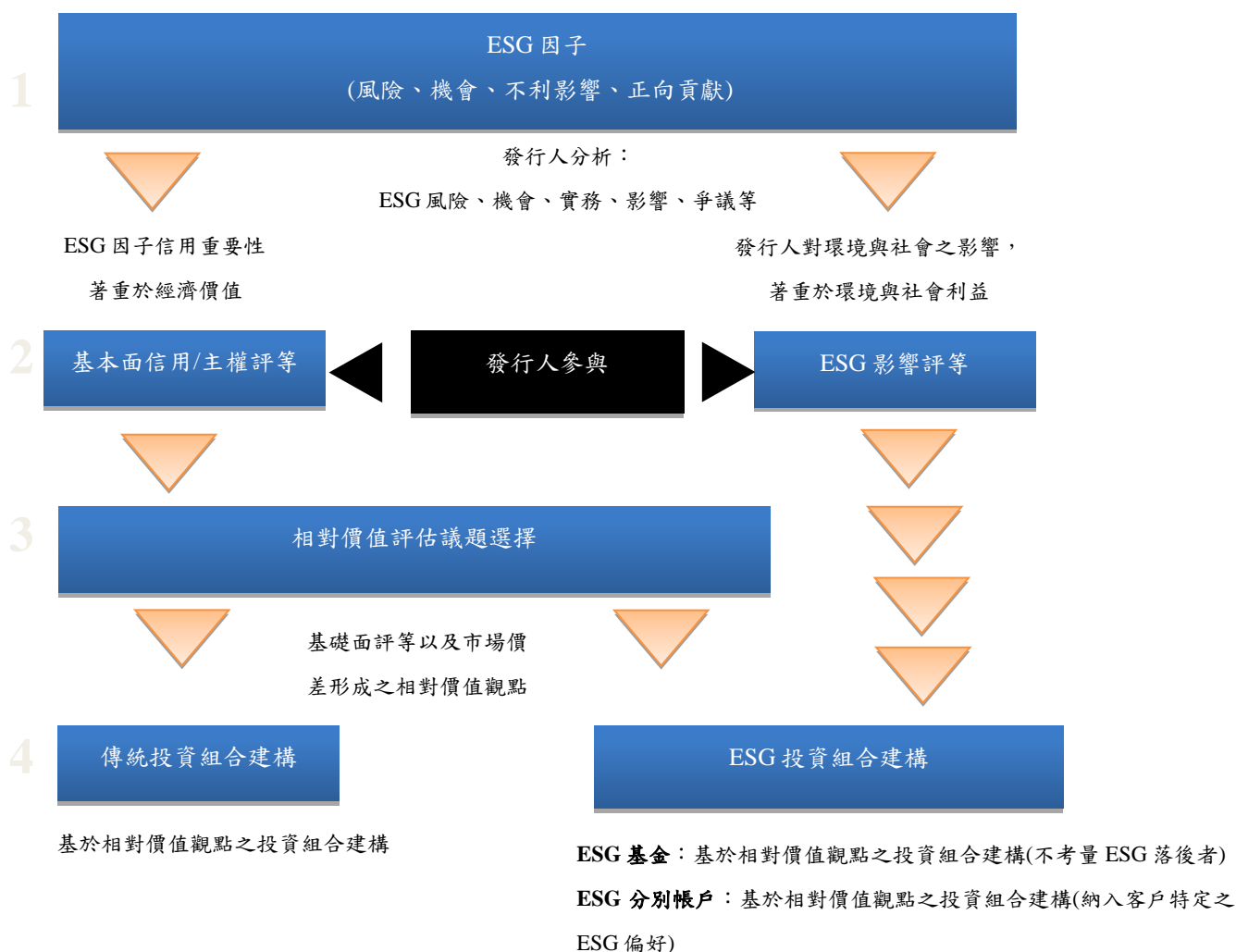
ESG 考慮因素與限制及不適格 ESG 投資清單(見後述)將於 2021 年 3 月 26 日起適用。2021 年 3 月 26 日前有關 ESG 考慮因素與限制及不適格之 ESG 投資之資訊可於本政策 2021 年 2 月 25 日之版本中查詢，網址：<https://www.pgim.com/ucits/literature>。

PGIM 固定收益之 ESG 投資流程

如前所述，PGIM 固定收益內部信用研究團隊將 ESG 風險及因 ESG 因子產生之機會，納入 PGIM 固定收益代表固定收益基金所為投資之財務價值分析。

PGIM 固定收益之投資分析師亦被要求進行投資盡職調查，並以 100 分為總分、5 分為一個間距(0 為最低分而 100 為最高分)之 ESG 評等(下稱「**ESG 影響評等**」)，為其考慮進行投資之所有發行人決定 ESG 評等。於評定 ESG 影響評等時，投資分析師審視公開可得之資訊，亦可能考慮來自替代性資料來源之資訊(如：NGO 分析、政府與政府間研究等)，及第三方研究與工具。相較於其他資訊，第三方研究可能用於篩檢可投資範圍之特定經濟活動與爭議(包括 UNGC-闡述人權、勞工、環境及反貪腐等領域之十項原則之商業基本原則框架(**UNGC 原則**)之違反)；提供有關現正進行之訟爭資訊；提供大量環境、社會、公司治理關鍵績效指標之績效數據；或檢視各種 ESG 議題與風險。於部份情況，可能無法獲取所需之資料以評估各項投資，而於此情況下，本公司之分析師將基於(例如)與標的發行人之特定產業有關之資訊，為合理之假設以評價特定投資。

ESG 投資流程



於決定 ESG 影響評等時，PGIM 固定收益投資分析師考慮之環境與社會議題或「永續指標」以及對該永續指標之負面與正面影響，將隨產業及/或個別發行人有所變化，惟一般包括但不限於：

氣候與環境永續指標	負面影響	正面影響
能源使用/績效；溫室氣體排放	溫室氣體大量排放；大量碳足跡或碳強度；不可再生之能源消耗	永續發展能源；利用可再生能源；促進能源使用效率；能源效率產品之研發
廢棄物管理/有害物質；污染	有害或無害廢棄物之產生與管理不善；塑膠污染；包裝廢棄物；產品中使用有害物質	減少使用不可回收之包裝及塑膠；修復現有污染；產品生命週期管理；降低環境影響之新科技
水資源消耗與污染；空氣污染；生態系統	自然棲息地破壞與生物多樣性消失、生態系統損壞；大量水資源消耗；水污染；灰塵與懸浮顆粒物排放；噪音污染	用水效率方法；於供應鏈上建立強大監管鏈；環境復原策略；土地保留區及保護瀕危物種棲息地；碳吸存

社會永續指標	負面影響	正面影響
人權；員工權益/勞工權益；健康與安全；社群關係	現代型奴役或受強迫之勞役；童工；不負責任之勞動行為；歧視性排除(如：針對低收入族群、社會弱勢族群)；侵害本地/原住民群體權利；職業健康與安全性不佳	健全的勞工培訓計畫；健全的勞工健康與安全性政策與管理；本地與原住民群體之關係；產品安全性措施；提供社會弱勢團體可負擔之服務
商業行為	賄賂與貪污；反競爭手段；金援犯罪、恐怖主義及其他非法活動；詐欺、內線交易及因取得商業秘密而獲利；逃稅或教唆逃稅	健全的查核與透明作業；培訓與人力資本發展作業；鼓勵勞動力多元化；保護客戶資訊之隱私與安全性

雖然公司治理考慮因素(如：經營權結構或董事會效力)並未明確包含於 ESG 影響評等之架構，其仍為評估整體投資機會之重要因素，且亦被投資分析師作為信用研究及初始投資評估之一部分。

ESG 委員會針對各產業之 ESG 影響評等提供指導方向予分析師。分析師將根據負面永續性影響之嚴重程度以及發行人為減少該負面影響及強化正面影響所為之努力，以評價發行人。這些評等反映我們信用分析師針對永續性影響之定性判斷。

給予高 ESG 影響評等通常係基於發行人減少負面環境與社會影響之策略之信用程度及抱負，以及分析當時之實際成就。因此，發行人為減少負面影響及強化正面影響所為之努力程度與品質，係為取得較高 ESG 影響評等之差異化因素。

本公司之全球經濟團隊已發展主權 ESG 影響評等機制，利用定性覆蓋之定性方法認定最終 ESG 影響評等。

參考單一投資標的之貨幣及衍生契約之 ESG 影響評等將反映該投資標的之 ESG 影響評等(如：美國國庫債期貨或美國利率交換將與相對應之美國國庫債獲得相同 ESG 影響評等)。與之相似地，單一名稱主權或公司債之信用違約交換將與其參考之相對應主權或公司債發行人獲得相同之 ESG 影響評等。

針對參考多個投資標的之貨幣以及衍生契約(如：歐元或高收益 CDX 契約)，分析師將基於該契約中所有成分證券之平均 ESG 影響評等，為該契約決定 ESG 影響評等。

ESG 影響評等並非針對發行人償債能力之評估，且異於本公司專有的信用評等，其著重於為客戶尋求達到經風險調整後之最高收益。

載明更多有關 PGIM 固定收益 ESG 投資流程資訊之「PGIM 固定收益永續性風險整合政策」與「主要不利影響永續性盡職調查政策」之副本，可應要求提供並可於下列網址查詢：<https://www.pgim.com/fixed-income/sfdr-information>

ESG 考慮因素與限制

由 PGIM 固定收益所管理之本公司全部子基金(下稱「**固定收益基金**」)，已根據適合該固定收益基金之 ESG 整合之層級為分類(考量若干不同因子)(下稱「**ESG 考慮因素與限制**」)。ESG 考慮因素與限制分類如下：

- **A 組 ESG 考慮因素與限制** 適用於分類 1 基金、分類 2 基金及分類 3 基金。
- **B 組 ESG 考慮因素與限制** 適用於分類 2 基金及分類 3 基金。
- **C 組 ESG 考慮因素與限制** 適用於分類 3 基金。

針對各類型之固定收益基金，「**不適格 ESG 投資**」及其相關活動被認為是「**禁止活動**」，如以下所述：

- 分類 1 基金之**不適格 ESG 投資**為 A 組之 ESG 考慮因素與限制
- 分類 2 基金之**不適格 ESG 投資**為 A 組與 B 組之 ESG 考慮因素與限制
- 分類 3 基金之**不適格 ESG 投資**為 A 組、B 組與 C 組之 ESG 考慮因素與限制

各固定收益基金相關分類如附錄 1 所述，而適用於各類型固定收益基金之 ESG 考慮因素與限制如下表所示。

ESG 考慮因素與限制 ¹		PGIM 固定收益 ESG 分類			適用日期
		1	2	3	
A 組	不投資於違反 UNGC 原則之發行人(準主權發行人除外)				2021 年 3 月 26 日
	不投資於有關核子產品或其他爭議性武器(包括地雷、集束炸彈以及生物/化學武器)生產之發行人				
	不投資為菸草製造商且收益至少 5% 係源自該等業務之發行人				
B 組	不投資於違反 UNGC 原則之準主權發行人				2021 年 3 月 26 日
	不投資為傳統武器製造商且收益至少 10% 係源自該等業務之發行人				
	不投資收益至少 25% 係源自燃料煤生產之發行人				
	不投資收益至少 10% 係源自於燃料煤提煉之發行人				
	不投資於 ESG 影響評等為 5 以下之發行人				
	不投資於 ESG 影響評等為 15 ² 以下之發行人				
C 組	略				

¹ PGIM 固定收益得隨時更新 ESG 考慮因素與限制

適用	大部分適用	不適用
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² 略

針對淺綠色基金之 ESG 考慮因素與限制

PGIM 固定收益認為，透過運用 ESG 影響評等架構，淺綠色基金可推廣部份環境特色，包括：減少環境污染及減緩氣候變遷，以及社會特色，包括：加強職業健康與安全性以及人力資本管理(下稱「永續性特色」)。因此，為了使每個淺綠色基金繼續推廣永續性特色，PGIM 固定收益將遵循 A 組、B 組及 C 組之 ESG 考慮因素與限制。

ESG 考慮因素與限制之限度

ESG 考慮因素與限制並非係絕對之限制或要件，並於建立固定收益基金投資組合時提供一般 ESG 參數。並不保證 ESG 考慮因素與限制將持續。儘管 ESG 考慮因素與限制欲適用於相關淺綠色基金整個生命週期，其也並非各個淺綠色基金達成 ESG 之絕對限制或要件；PGIM 固定收益未來可能變更或強化其達成 ESG 之方法，淺綠色基金達成 ESG 之方法亦可能因此改變。

儘管如上述，各基金投資於指數時可能曝險於不適格 ESG 投資、禁止之碳投資(於淺綠色基金之情形)或未符合最低 ESG 影響評等要件之投資。上述所有比率將於購買時計算，且由於降級和市場波動等因素，可能無法達成。

PGIM 固定收益之相關機構已委任第三方篩選代理(下稱「**篩選代理**」)以篩選出不適格 ESG 投資。針對每個組別之 ESG 考慮因素與限制，該組不適格 ESG 投資清單所列之投資將由篩選代理提供予 PGIM 固定收益，該清單之資訊將每月定期更新並提供予 PGIM 固定收益(下稱「**不適格 ESG 投資清單**」)。有關禁止之碳投資與禁止之碳活動之資訊(下稱「**禁止之碳資訊**」)，係基於由第三方服務供應商(下稱「**碳篩選代理**」)提供予 PGIM 固定收益之碳排放數據，並由碳篩選代理定期更新。因此，於決定不適格 ESG 投資時，PGIM 固定收益將仰賴由篩選代理所提供不適格 ESG 投資清單所列投資之資訊。相類似地，於決定淺綠色基金之禁止之碳投資時，PGIM 固定收益將仰賴禁止之碳資訊。PGIM 固定收益或其合夥人、員工或相關機構(統稱「**投資經理人相關機構**」)並不就任何不適格 ESG 投資清單或禁止之碳資訊，陳述或保證其各自代表所有不適格 ESG 投資或禁止之碳投資之完整清單。篩選代理與碳篩選代理各自受其可得資訊之限制，因此不適格 ESG 投資清單或禁止之碳資訊可能未包含全部投資領域。是故，固定收益基金可能投資於從事相關禁止之活動之企業或該企業之相關機構。同樣地，淺綠色基金可能投資於從事相關禁止之碳活動之發行人或該發行人之相關機構。投資經理人相關機構有權全面仰賴(該仰賴並受全面保護)由篩選代理以及碳篩選代理各自提供予 PGIM 固定收益之不適格 ESG 投資清單以及禁止之碳資訊。於特定情況下，篩選代理及碳篩選代理各自提供之不適格 ESG 投資清單以及禁止之碳資訊可能遲延更新。

ESG 影響評等並非投資風險或收益評等，在決定一投資標的之 ESG 影響評等時，PGIM 固定收益受限於其可得之資訊，因此 ESG 影響評等可能並不包含所有相關因素。是故，如有管道獲取更多資訊，則固定收益基金可能投資 PGIM 固定收益給予較低評等之標的。此外，ESG 評等具有主觀性。因此，PGIM 固定收益就特定投資之 ESG 影響評等可能與他人之觀點不同。

ESG 考慮因素與限制之潛在影響；利益衝突

如新的篩選方式之增加、現有的不適格 ESG 投資清單或禁止之碳資訊(於淺綠色基金之情形)之更新或 ESG 影響評等之改變，將導致固定收益基金持有之投資變成不適格 ESG 投資、禁止之碳投資(於淺綠色基金之情形)或不符合其他某些 ESG 考慮因素與限制，則相關基金將於知悉資格變更後，於平均 90 個營業日內，盡合理努力出售該投資。該出售可能係基於對固定收益基金不利之價格或時點，導致固定收益基金受有如無該等 ESG 考慮因素與限制即不會產生之損失。

與任何準則限制相同，PGIM 固定收益遵循 ESG 考慮因素與限制可能影響固定收益基金對特定產業或投資型態之曝險，此可能對固定收益基金之績效產生不利影響。關於適用之利益衝突及與利益衝突相關之政策與程序，請參考 PGIM Inc.針對 PGIM 固定收益之 ADV 表格 第 2A 部分。

機密— 不得做進一步使用。本政策自所載之日期起適用，如有更動，恕不另行通知。

附錄 1

ESG 考慮因素與限制分類		固定收益基金
分類 1	略	
分類 2	PGIM 美國全方位高收益債券基金	
	略	
	PGIM 美國公司債基金	
分類 3	略	

基金行政管理

投資經理人： PGIM Inc.
上市： 泛歐交易所都柏林分部
存託機構： 道富保管服務(愛爾蘭)有限公司
行政管理人： 道富基金服務(愛爾蘭)有限公司
會計師事務所： PricewaterhouseCoopers
報告： 每月報表
年度經查核財務報表
半年度財務報表

基金架構

- 愛爾蘭 UCITS 基金
- 固定收益基金為本公司子基金
- 一間在愛爾蘭註冊之具有可變資本的投資公司，註冊號碼為 530399
- 本公司以傘型基金的形式成立，各子基金間之責任分離

通知

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固定收益基金為 PGIM Funds plc 之子基金。針對固定收益基金之投資，除了查閱資訊外，您應審閱銷售文件(即：公開說明書、相關補充文件及相關 KIID)。

固定收益基金可能尚未在多數司法管轄區進行公開發行註冊。如於任何司法管轄區要約或要約引誘是不合法的，或提出此類要約或要約引誘之人不具資格，或對任何人提出此類要約或要約引誘是不合法的，則本資料不構成任何人於任何司法管轄區之要約或要約引誘。

風險

固定收益基金投資涉及高風險，包括可能損失全部投資額之風險。固定收益基金主要目的為購買某些投資，將為固定收益基金造成重大風險，包括資產績效、價格波動、管理風險及交易對手風險。並不保證或表示任何基金投資計畫將會成功，或該基金收益與投資者的傳統證券投資組合之間的相關性較低。

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PGIM FUNDS PLC
70 Sir John Rogerson's Quay
Dublin 2
Ireland

(An umbrella fund with segregated liability between sub-funds)

11 March 2021

This Notice is sent to you as a shareholder of PGIM Funds plc (the "Company"). It is important and requires your immediate attention. If you are in any doubt as to the action to be taken, you should immediately consult your stockbroker, solicitor or attorney or other professional advisor. If you sold or otherwise transferred your holding in the Company, please send this Notice to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This Notice has not been reviewed by the Central Bank of Ireland (the "Central Bank") and it is possible that changes thereto may be necessary to meet the requirements of the Central Bank. The directors of the Company (the "Directors") are of the opinion that there is nothing contained in this Notice that conflicts with the regulations of the Central Bank.

The Directors have taken all reasonable care to ensure that, as at the date of this Notice, the information contained in this Notice is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility for the information contained in this Notice.

Words and expressions not specifically defined herein shall bear the same meaning as that attributed to them in the prospectus of the Company dated 29 January 2021, as amended by the addendum dated 10 March 2021, and the supplement for the funds in which you are a shareholder, as amended from time to time.

Dear Shareholder,

Fixed Income UCITS ESG Policy Statement

We are writing to you in your capacity as a Shareholder of the Company to notify you that PGIM Fixed Income has updated its UCITS ESG Policy Statement ("ESG Policy"), a copy of which is attached to this Notice.

The ESG Policy is also available on the PGIM Funds plc website (<https://www.pgim.com/ucits/literature>).

If you have any questions, please consult with your professional adviser.

Yours faithfully



For and on behalf of
PGIM FUNDS PLC

PGIM Fixed Income
UCITS ESG Policy Statement and Article 10 Transparency Disclosure
10 March 2021

INTRODUCTION

PGIM Fixed Income (“**PGIM FI**”) integrates environmental, social and governance (“**ESG**”) issues into its investment research and decision-making process because PGIM FI believes that ESG issues can affect the performance of investment portfolios. This means that we consider the risk/return implications of ESG issues when making or evaluating investments. The manner by which we do this is covered by a separate policy operated by PGIM FI and is available on request and at the following website: <https://www.pgim.com/fixed-income/sfdr-information>.

As a signatory to the Principles of Responsible Investment (the “**Principles**”), we are committed to adopting and implementing the Principles, where consistent with our fiduciary responsibilities. We also recognize that applying the Principles of the UN Global Compact (the “**UNGC**”) and the UN Sustainable Development Goals (the “**UNSDG**”) may better align investors with broader objectives of society and consider them, where appropriate. To this end, the PGIM FI ESG Committee (the “**ESG Committee**”) has been established to act as the governing body for directing and overseeing PGIM FI’s ESG-related activities, including establishing and overseeing the PGIM FI ESG impact rating framework and establishing and maintaining the ESG Considerations and Restrictions applicable to the Fixed Income Funds (as defined below).

The EU Sustainable Finance Disclosure Regulation (“**SFDR**”) requires certain EU regulated entities (including PGIM Funds plc (the “**Company**”)) to disclose information on a public website regarding the promotion of environmental or social characteristics for certain financial products. As further described below, certain of the financial products listed in Appendix 1 promote the Sustainability Characteristics (as defined below) (the “**Category 3 Funds**” or “**Light Green Funds**”) and this Policy Statement is the transparency disclosure in respect of the Light Green Funds for the purposes of Article 10 of SFDR and, accordingly, is available at: <https://www.pgim.com/ucits/literature>.

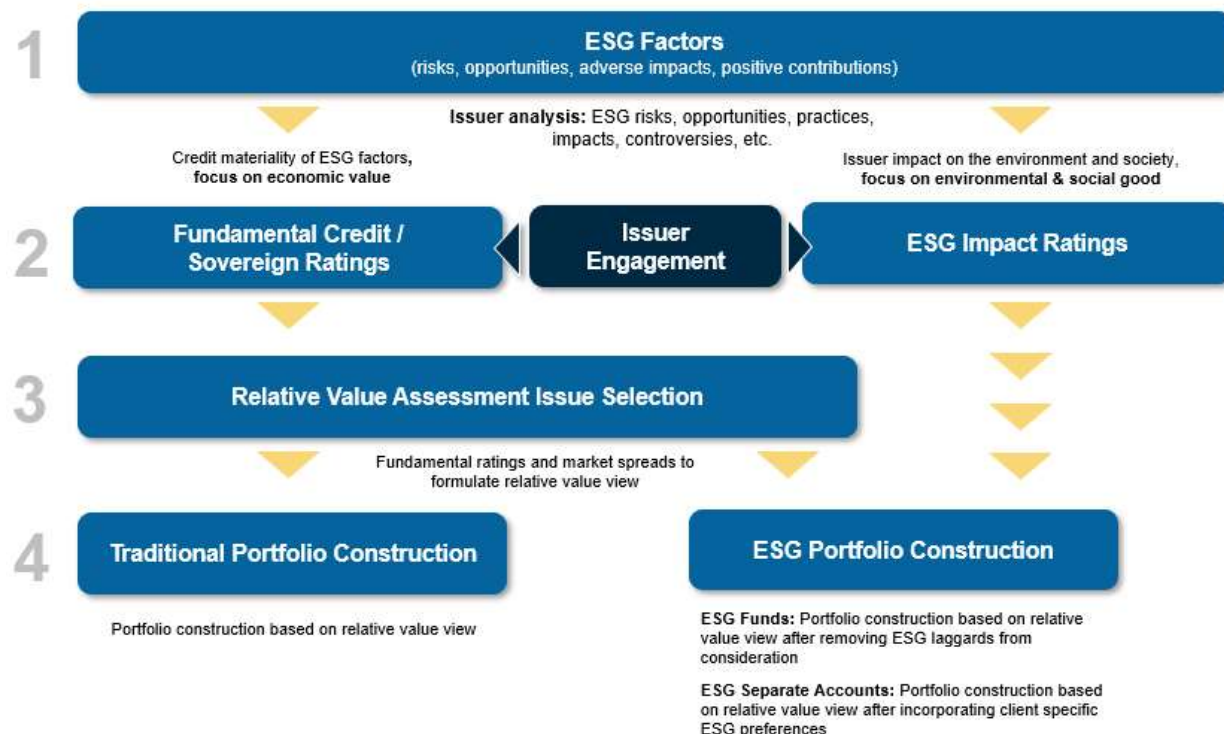
The ESG Considerations and Restrictions and Ineligible ESG Investment Lists (each as defined and set out below) begin applying from 26 March 2021. Information relating to ESG Considerations and Restrictions and Ineligible ESG Investments that are applicable until 26 March 2021 is available in the version of this policy dated 25 February 2021, at the following website: <https://www.pgim.com/ucits/literature>.

PGIM FI'S ESG INVESTMENT PROCESS

As mentioned above, PGIM FI's internal credit research group takes ESG risks as well as opportunities arising from ESG factors into account as part of the analysis of the financial value of the investments PGIM FI makes on behalf of the Fixed Income Funds.

PGIM FI's investment analysts are also required to conduct investment due diligence and will assign an ESG rating on a 100-point scale in 5-point increments, with 0 as the lowest and 100 as the highest ESG rating ("**ESG Impact Rating**") to all issuers being considered for investment. In assigning an ESG Impact Rating, investment analysts review publicly available information and may also consider information from alternative data sources (e.g. NGO analyses, governmental and inter-governmental studies, etc.) and third-party research and tools. This third party research may, among other things, be used to screen our investable universe for specified economic activities and controversies (including violations of the UNGC, a principles-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption (the "**UNGC Principles**")); provide information regarding ongoing litigation; provide performance data for a large number of environmental, social and governance key performance indicators; or otherwise review various ESG issues and risks. In certain instances, it may not be possible to obtain the information needed to assess and rate each investment and where this is the case our analysts will make reasonable assumptions in order to rate the particular investments based on, for example, information relating to the particular industry of an underlying issuer.

ESG In The Investment Process



It is important to note that unlike equity investors, fixed income investors have a contractual relationship with a company. Whereas equity holders, as owners, have more direct influence over management, ESG laggards are removed from ESG-only mandates where we apply our internal ESG Impact Ratings. ESG laggard may vary depending on the specific portfolio. The threshold for what is considered an ESG laggard may vary depending on the specific portfolio.

In assigning an ESG Impact Rating, the environmental and social issues or “**Sustainability Indicators**” and the negative and positive impacts on such Sustainability Indicators considered by PGIM FI’s investment analysts vary depending on the industry and/or individual issuer but generally may include, but are not limited to:

Climate and Environmental Sustainability Indicators	Negative/Adverse Impacts	Positive Impacts
Energy use/performance; Greenhouse gas emissions	High greenhouse gas emissions; high carbon footprint or carbon intensity; consumption of energy from non-renewable sources	Sustainable sourcing of energy; use of or revenues from renewable energy; practices that improve energy efficiency; R&D in energy efficient products
Waste Management/ Hazardous Materials; Pollution	Generation of and poor management of hazardous and non-hazardous waste; plastic pollution; packaging waste; use of hazardous materials in products	Reducing use of non-recyclable packaging and plastics, Remediation of existing contaminants; lifecycle management of products; new technologies reducing environmental impact
Water consumption and pollution; Air pollution; Ecosystems	Destruction of natural habitats and biodiversity loss; ecosystem damage; high water consumption; water pollution; dust and other particle emissions; noise pollution	Water efficiency solutions; strong chain of custody in supply chains; environmental rehabilitation strategies; land conservation areas and protected endangered species habitat; carbon sequestration
Social Sustainability Indicators	Negative/Adverse Impacts	Positive Impacts
Human rights; Employee rights/ labour rights; Health & Safety; Community Relations	Modern slavery or forced labour; child labour; irresponsible labour practices; discriminatory exclusion (e.g. against low-income communities, underprivileged segments of society); infringement of rights of local/indigenous communities; poor occupational health and safety	Robust worker training programs; robust worker health & safety policies and controls; local and indigenous community relations; product safety measures; provision of affordable services to underprivileged/ underserved segments of society
Business Conduct	Bribery and corruption; anti-competitive practices; financing of crime, terrorism and other illegal activities; fraud, insider trading and profiteering from access to trade secrets; tax avoidance or abetting tax avoidance	Robust audit and transparency practices; training and human capital development practices; encouraging workforce diversity; protection of privacy and security of customer data

While corporate governance considerations (such as, for example, ownership structures or board effectiveness) are not explicitly included in the ESG Impact Ratings framework, they are an important

part of the overall evaluation of an investment opportunity and are considered by the investment analysts as part of the credit research and the initial evaluation of an investment.

The ESG Committee provides guidance to the analysts on the ESG Impact Rating ranges for each industry. Analysts rate issuers based on the severity of the negative sustainability impacts and the issuers' efforts to reduce and minimise negative, as well as enhance positive impacts. These ratings reflect the qualitative judgement of our credit analysts regarding sustainability impacts.

An assignment of a high ESG Impact Rating is generally based on the credibility and ambition of an issuer's strategy to reduce negative environmental and social impacts, and their actual achievements at the time of our analysis. Accordingly, the extent and quality of efforts by issuers to reduce their negative impacts, and to enhance their positive impacts will serve as a differentiator yielding higher ESG Impact Ratings.

Sovereign ESG Impact Ratings have been developed by our Global Economics team, using a quantitative approach with a qualitative overlay to determine a final ESG Impact Rating.

The ESG Impact Rating for currency and derivative contracts referencing a single investment will reflect the ESG Impact Rating of that investment (e.g. U.S. treasury future or U.S. interest rate swap would get the same ESG Impact Rating as the corresponding U.S. treasury). Similarly, a single name sovereign or corporate credit default swap would get the same ESG Impact Rating as the corresponding sovereign or corporate issuer that it references.

For currency and derivative contracts (such as a Euro or High Yield CDX contract) that reference multiple underlying investments, the analysts will assign an ESG Impact Rating to the contract that is based on the average ESG Impact Rating for all the underlying constituents within that contract.

The ESG Impact Ratings are not an assessment of an issuer's ability to repay debt and are differentiated from our proprietary credit ratings, which focus on seeking to achieve the highest risk-adjusted returns for our clients.

Copies of PGIM FI's Sustainability Risks Integration Policy and Principal Adverse Impact Sustainability Due Diligence Policy, which set out further information regarding PGIM FI's ESG investment process is available on request and at the following website: <https://www.pgim.com/fixed-income/sfdr-information>.

ESG CONSIDERATIONS AND RESTRICTIONS

All sub-funds of the Company that are managed by PGIM FI (“**Fixed Income Funds**”), have been categorized in terms of the level of ESG integration appropriate for that Fixed Income Fund (taking into account a number of different factors) (the “**ESG Considerations and Restrictions**”). The ESG Considerations and Restrictions are categorized as follows:

- **Group A ESG Considerations and Restrictions** apply to Category 1 Funds, Category 2 Funds and Category 3 Funds.
- **Group B ESG Considerations and Restrictions** apply to Category 2 Funds and Category 3 Funds.
- **Group C ESG Considerations and Restrictions** apply to Category 3 Funds.

The “**Ineligible ESG Investments**” and all such activities related to such Ineligible ESG Investments are considered “**Prohibited Activities**” in respect of each category of Fixed Income Fund as follows:

- The **Ineligible ESG Investments** for Category 1 Funds are the ESG Considerations and Restrictions of Group A.
- The **Ineligible ESG Investments** for Category 2 Funds are the ESG Considerations and Restrictions of Group A and Group B.
- The **Ineligible ESG Investments** for Category 3 Funds are the ESG Considerations and Restrictions of Group A, Group B and Group C.

The relevant category for each Fixed Income Fund is set out in Appendix 1 and the ESG Considerations and Restrictions that are applicable to each category of Fixed Income Funds is set out below.



ESG Considerations and Restrictions ¹		PGIM FI's ESG Categories			Application Date
		1	2	3	
GROUP A	No investments in issuers (other than Quasi-Sovereign issuers) that violate UNGC Principles.				26 March 2021
	No investments in issuers that are involved in the production of nuclear or other controversial weapons (including landmines, cluster weapons and biological/chemical weapons).				
	No investments in issuers that are tobacco manufacturers deriving at least 5% of revenues from such activities.				
GROUP B	No investments in Quasi-Sovereign issuers that violate the UNGC Principles.				26 March 2021
	No investments in issuers that are conventional weapon manufacturers deriving at least 10% of revenues from such activities.				
	No investments in issuers deriving at least 25% of revenues from thermal coal generation.				
	No investments in issuers deriving at least 10% of revenues from thermal coal extraction.				
	No investments in issuers that have an ESG Impact Rating equal to 5 or less.				
	No investments in issuers that have an ESG Impact Rating equal to 15 ² or less.				
GROUP C	No investments in issuers that have an ESG Impact Rating below 40.				26 March 2021
	No investments in issuers deriving at least 10% of revenues from art oil and gas exploration.				
	No investments in issuers deriving at least 10% of revenues from oil sands extraction.				
	No investments in issuers deriving at least 50% of revenues from gambling activities.				
	No investments in issuers having an emission intensity of tons CO2 per million USD sales above 3000 (the "Prohibited Carbon Investments", and all such activities, the "Prohibited Carbon Activities").				
	Ensure that the relevant portfolio has a higher average ESG Impact Score compared to the applicable investment universe.				

¹ PGIM FI may update the ESG Considerations and Restrictions from time to time.

APPLICABLE	GENERALLY APPLICABLE	NOT APPLICABLE
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² This ESG Consideration and Restriction does not apply to: PGIM Emerging Market Corporate Bond Fund, PGIM Emerging Market Local Currency Debt Fund and PGIM Emerging Market Total Return Bond Fund

ESG CONSIDERATIONS AND RESTRICTIONS FOR LIGHT GREEN FUNDS

PGIM FI has determined that, through the utilisation of the ESG Impact Ratings framework, the Light Green Funds promote certain environmental characteristics including reduction of environmental pollution and climate change mitigation and social characteristics including improving occupational health and safety and human capital management (the “**Sustainability Characteristics**”). Accordingly, in order for each of the Light Green Funds to continuously promote the Sustainability Characteristics, PGIM FI seeks to adhere to the ESG Considerations and Restrictions of Group A, Group B and Group C.

LIMITATIONS ON ESG CONSIDERATIONS AND RESTRICTIONS

The ESG Considerations and Restrictions are not intended to be absolute limits or requirements and provide general ESG-based parameters in building a Fixed Income Fund’s portfolio. There can be no guarantee that each such consideration or restriction will be consistently maintained. Although the ESG Considerations and Restrictions are intended to be applied throughout the lifecycle of the relevant Light Green Fund, they are also not absolute limits or requirements in respect of each Light Green Fund’s approach to ESG, and PGIM FI may, in the future, alter or enhance its approach to the ESG and therefore each Light Green Fund’s approach may, accordingly, change as a result.

Notwithstanding, each Fund may have exposure to Ineligible ESG Investments, Prohibited Carbon Investments (in the case of Light Green Funds) or investments that do not meet the minimum ESG Impact Rating requirements through its investment in indices. All percentages described above will be measured at the time of purchase and may not be met due to factors such as downgrades and market movements.

An affiliate of PGIM FI has engaged a third-party screening agent (the “**Screening Agent**”) to screen for the Ineligible ESG Investments. For each Group of ESG Considerations and Restrictions, the investments comprising the list of the Ineligible ESG Investments for that Group are provided to PGIM FI by the Screening Agent and information with respect to such list will be updated and provided to PGIM FI on a monthly basis (an “**Ineligible ESG Investment List**”). The information regarding the Prohibited Carbon Investments and the Prohibited Carbon Activities (the “**Prohibited Carbon Information**”) is based on carbon emission data that is made available to PGIM FI by a third party services provider (the “**Carbon Screening Agent**”) and is updated periodically by the Carbon Screening Agent. Accordingly, in determining the Ineligible ESG Investments, PGIM FI will rely on the information provided by the Screening Agent in respect of the investments comprising an Ineligible ESG Investment List. Similarly, in determining the Prohibited Carbon Investments for the Light Green Funds, PGIM FI will rely on the Prohibited Carbon Information. None of PGIM FI or its partners, employees or affiliates (collectively, “**Investment Manager Affiliates**”) represent or warrant that any Ineligible ESG Investment List or the Prohibited Carbon Information represents a complete list of all Ineligible ESG Investments or Prohibited Carbon Investments, respectively. The Screening Agent and Carbon Screening Agent are each limited by the information available to them and therefore, an

Ineligible ESG Investment List or the Prohibited Carbon Information may not include the total universe of relevant investments. Accordingly, it is possible that a Fixed Income Fund may invest in a company that is engaged in a relevant Prohibited Activity or an affiliate of a company that is engaged in a relevant Prohibited Activity. Likewise, it is possible that a Light Green Fund may invest in an issuer that is engaged in a relevant Prohibited Carbon Activity or an affiliate of an issuer that is engaged in a relevant Prohibited Carbon Activity. The Investment Manager Affiliates are entitled to fully rely on, and to be fully protected in relying on, the Ineligible ESG Investment List and the Prohibited Carbon Information, as applicable, provided to PGIM FI by the Screening Agent and Carbon Screening Agent, respectively. In certain circumstances, there may be a delay in updates to the Ineligible ESG Investment List and the Prohibited Carbon Information from the Screening Agent and the Carbon Screening Agent, respectively.

The ESG Impact Ratings are not investment risk or return ratings, and in assigning a rating to an investment, PGIM FI is limited by the information available to it and therefore, the ESG Impact Rating may not include all relevant factors. Accordingly, it is possible that a Fixed Income Fund may make an investment that PGIM FI would have assigned a lower rating, had it had access to such additional information. In addition, ESG ratings are inherently subjective. Therefore, PGIM FI's ESG Impact Rating of a particular investment could differ from the view of others.

POTENTIAL IMPACT OF THE ESG CONSIDERATIONS AND RESTRICTIONS; CONFLICTS OF INTEREST

If the addition of a new screen, an update to the existing Ineligible ESG Investment List or the Prohibited Carbon Information (in the case of the Light Green Funds), or a change to a ESG Impact Rating, causes an investment held by a Fixed Income Fund to become an Ineligible ESG Investment, a Prohibited Carbon Investment (in the case of the Light Green Funds) or to not comply with certain other ESG Considerations and Restrictions, the relevant Fund will seek to use reasonable efforts to sell such investment generally within ninety (90) business days from becoming aware of the eligibility change. Such sale may be at a price or time that is disadvantageous to a Fixed Income Fund, causing the Fixed Income Fund to incur losses that would not otherwise be realized in the absence of such ESG Considerations and Restrictions.

As with any guideline restriction, PGIM FI's compliance with the ESG Considerations and Restrictions may affect a Fixed Income Fund's exposure to certain sectors or types of investments, which could adversely affect the Fixed Income Fund's performance. For information regarding applicable conflicts of interests and policies and procedures related to conflicts of interest, please refer to PGIM Inc.'s Form ADV Part 2A for PGIM FI.

Confidential – not for further distribution. This policy is current as of the date set forth herein and is subject to change without notice.



APPENDIX 1

ESG Considerations and Restrictions Categories	Fixed Income Fund
Category 1	PGIM Emerging Market Blend Debt Fund
	PGIM Emerging Market Hard Currency Debt Fund
Category 2	PGIM Absolute Return Fund
	PGIM Broad Market U.S. High Yield Bond Fund
	PGIM Emerging Market Corporate Bond Fund
	PGIM Emerging Market Local Currency Debt Fund
	PGIM Emerging Market Total Return Bond Fund
	PGIM European BB-B High Yield Bond Fund
	PGIM European Corporate Bond Fund
	PGIM European High Yield Bond Fund
	PGIM Global Corporate Bond Fund
	PGIM Global High Yield Bond Fund
	PGIM Global Total Return Bond Fund
	PGIM Intermediate Duration U.S. Corporate Bond Fund
	PGIM Multi Asset Credit Fund
	PGIM U.S. BB-B High Yield Bond Fund
	PGIM U.S. Corporate Bond Fund
Category 3	PGIM Global Corporate ESG Bond Fund
	PGIM Global Total Return ESG Bond Fund

FUND ADMINISTRATION

Investment Manager:	PGIM Inc.
Listing:	Euronext Dublin
Depository:	State Street Custodial Services (Ireland) Limited
Administrator:	State Street Fund Services (Ireland) Limited
Auditor:	PricewaterhouseCoopers
Reporting:	Monthly statements Annual audited financial statements Semi-Annual financial statements

Fund Structure

- Ireland based UCITS funds
- The Fixed Income Funds are sub-funds of Company
- The Company is an investment company with variable capital incorporated in Ireland with registered number 530399
- The Company is established as an umbrella fund with segregated liability between sub-funds

Notice

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The Fixed Income Funds are sub-funds of PGIM Funds plc. In connection with an investment in the Fixed Income Funds, in addition to reviewing the information, you should review the offering documents (i.e., the prospectus, the relevant supplement and relevant KIID).

The Fixed Income Funds may not be registered for public distribution in a number of jurisdictions. This material does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

Risks

An investment in the Fixed Income Funds involve a high degree of risk, including the risk that the entire amount invested may be lost. The Fixed Income Funds are primarily designed to purchase certain investments, which will introduce significant risk to the Fixed Income Funds, including asset performance, price volatility, administrative risk and counterparty risk. No guarantee or representation is made that any fund's investment program will be successful, or that such fund's returns will exhibit low correlation with an investor's traditional securities portfolio.

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