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Respondent CDP 2008: Prudential Financial, Inc.

General Information

It is not a requirement of the CDP questionnaire to give an introduction to your answer, but if you would like to do so, please give it here in the text box below or attach a document.

In 2007, Prudential established an enterprise-wide task force on the environment. The group is charged with developing environmental stewardship and risk management programs and policy for the company. In addition, the group is charged with monitoring development in the areas of environmental law and regulation, considering the creation of new programs and is consolidating information about environmental efforts currently underway at Prudential.

Where available please can you provide the following identification numbers for your primary listings/ordinary shares and information for your company:

Company Turnover (also known as sales) in millions of US\$

34400

ISIN number

CUSIP number

SEDOL number

1 - Risks and Opportunities

Question 1(a)(i) Regulatory Risks

How is your company exposed to regulatory risks related to climate change?

We do not consider our company to be exposed to regulatory risks because...

We do not consider our company to be exposed to current regulatory risk. However, the Environmental Task Force is currently monitoring developments underway at the National Association of Insurance Commissioners and the SEC. The NAIC is considering creating reporting requirements for U.S. Insurance companies. The SEC is examining e-communication with customers and clients that may affect the amount of printed material we issue.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(a)(ii) Physical Risks

How is your company exposed to physical risks from climate change?

We consider our company to be exposed to physical risks because...

It is possible that extreme weather events could have an impact on our business in terms of business interruption, and increased life insurance claims. Although recent events have not had a material impact on our businesses, Prudential continues to monitor and manage our risk in several areas. Formal business continuation plans have been established. As standards are developed, we will seek external certification for them. A Health Risk and Pandemic Planning team has been at work for several years, anticipating business risk arising from increased infectious disease due to Global Warming. In addition, we continue to evaluate the implications of extreme events on our insurance and investment businesses.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(a)(iii) General Risks

How is your company exposed to general risks as a result of climate change?

We consider our company to be exposed to general risks because...

The increased cost of operation for our clients may decrease the availability of funds to invest in our products. Similarly, the increased cost of operation may increase the cost of our products.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(a)(iv) Risk Management**Has your company taken or planned action to manage the general and regulatory risks and/or adapt to the physical risks you have identified?**

We have taken or planned action.

The company's Environmental Task Force will be benchmarking the risk management processes and policies of other financial services organizations, with an eye to incorporating best practices in the Prudential's environmental policy.

We have used technology, developed by others, to conserve energy and thus reduce GHG emissions. Some examples of energy conservation equipment used in our Real Estate portfolio has been the installation of energy efficient lighting and heating and cooling equipment. In addition, we have spent millions of dollars to install energy management systems to optimize the building operation and conserve energy.

Other ways we help reduce GHG emissions is through recycling of paper, glass and metal. Still other examples of ways we help reduce GHG emissions is through Alternative Work Arrangements, Video Conferencing, Imaging Technology and Paperless Transactions.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(a)(v) Financial and Business implications**How do you assess the current and/or future financial effects of the risks you have identified and how those risks might affect your business?**

We assess current and/or future financial effects by...

Both our Business Continuation and our Health Risk and Pandemic Planning teams have developed models to examine the future financial effects of catastrophic events on our business. In addition, based on recent market data, we have projected future energy costs for our operations. These have been included in business models for the future cost of doing business.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(b)(i) Regulatory Opportunities**How do current or anticipated regulatory requirements on climate change offer opportunities for your company?**

We consider that current or anticipated regulatory requirements offer opportunities because...

We are watching federal regulation on energy, anticipating that increased federal expenditures in renewable energy projects, especially the wind energy projects, may create investment opportunities for Prudential. In addition, the anticipated regulatory requirements may result in new equipment development by others which may help us conserve energy.

The SEC's review of e-materials may create the opportunity to reduce printed materials, thus reducing our carbon footprint and some small costs of doing business.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(b)(ii) Physical Opportunities**How do current or anticipated physical changes resulting from climate change present opportunities for your company?**

We do not consider that current or anticipated physical changes offer opportunities because...

We are currently evaluating the opportunities presented by the physical changes to our real estate investment businesses.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(b)(iii) General Opportunities

How does climate change present general opportunities for your company?

We consider that climate change offers opportunities because...

Climate change, and increasing understanding of climate change, presents a number of general opportunities for Prudential. Within the company it has increased support for improving the energy efficiency of our facilities. Employees morale is positively affected by Prudential's current efforts in environmental stewardship. We have been able to enhance the products offered to our customers by including "green" funds in their investment options. And we have seen business opportunities emerge from the renewable energy field.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(b)(iv) Maximizing Opportunities

Do you invest in, or have plans to invest in products and services that are designed to minimize or adapt to the effects of climate change?

Climate change has led to investment or planned investment in order to maximise climate change opportunities.

The Enterprise has invested millions of dollars in Renewable Energy Projects such as wind Farms. We also plan to invest additional funds for energy conservation projects for our own properties. The result of these investments would be the reduced GHG emissions.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 1(b)(v) Financial and Business Implications

How do you assess the current and/or future financial effects of the opportunities you have identified and how those opportunities might affect your business?

We assess current and/or future financial effects by...

Each category of opportunity follows customary financial assessments. For example, all energy conservation projects are funded if they are economically justifiable and will reduce GHG emissions.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

2 - Greenhouse Gas (GHG) Emissions Accounting

Question 2(a)(i) Reporting Boundary

Calculation tools that will assist companies in calculating GHG emissions from particular activities, such as the combustion of fuels, production processes, etc can be found at: <http://www.ghgprotocol.org/calculation-tools/all-tools>. Companies new to emissions reporting are strongly recommended to use these tools to assist them in their calculations. If you have used a calculation tool, please list it under the question on methodologies.

Please indicate the category that best describes the company, entities or group for which your response is prepared:

Companies over which operational control is exercised.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(a)(ii) Reporting Year

Please explicitly state the dates of the accounting year or period for which GHG emissions are reported.

Start date: 01 January 2007

End date: 31 December 2007
Financial accounting year: 01 January 2007

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(a)(iii) Methodology

Please specify the methodology used by your company to calculate GHG emissions.

Please select the methodology that you have used using the radio buttons. If you have used the GHG Protocol or ISO 14064-1, please also give references to any calculation tools that you have used or an explanation of any calculation methods that you have devised yourself. Please explain the data sources of the Global Warming Potentials and emission factors used in your calculations. If you cannot find a reference for them within a supplied calculation tool, please contact the provider of the calculation tool for the information.

If you have used a methodology that you have devised yourself, please would you explain your methodology, including methods of calculation, and the data sources of the Global Warming Potentials and emission factors.

GHG Protocol

Used CO2 emissions recommended by the Website for each State and each fuel type.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(b)(i) Scope 1 and Scope 2 of GHG Protocol

Are you able to provide a breakdown of your direct and indirect emissions under Scopes 1 and 2 of the GHG Protocol and to analyse your electricity consumption?

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(b)(i)(y) Scope 1 and Scope 2 of GHG Protocol - Year 1 answers

Please enter the dates for the reporting period that you specified in (answer to question 2(a)(i)) , and then answer the questions for that period. By selecting the "Add Additional Year Figures" button at the end of this webpage, you can repeat the process for the previous reporting period, and then for the reporting period before that, and so on. If possible, please give data going back to the reporting period ending in 2004. You do not have to enter historical data if you have already reported this information in response to previous CDP questionnaires.

Please enter the accounting year used to report GHG emissions details below.

Start date: 01 January 2007
End date: 31 December 2007

Scope 1 Direct GHG Emissions: Please provide:

a. Total global Scope 1 activity in Metric Tonnes CO2-e emitted.

8680 CO2e metric tonnes

b. Total Scope 1 activity in Metric Tonnes CO2-e emitted for Annex B countries.

8680 CO2e metric tonnes

By country - Scope 1 activity in metric tonnes of CO2-e by individual country

Using the same methodology please state your emissions per country. NB : If it is not practical for you to list emissions on a full country by country basis, please list here countries with significant emissions in the context of your business and combine the remainder under "rest of world". If you already have this information in another format (e.g Excel) please attach it.

| Country | Scope 1 Emissions (metric tonnes CO2-e) |
|---------|--|
| USA | 8680 |

Scope 2 - Indirect GHG emissions: Please provide:

c. Total global Scope 2 activity in metric tonnes CO2-e emitted

92310 CO2e metric tonnes

d. Total Scope 2 activity in metric tonnes CO2-e emitted for Annex B countries

92310 CO2e metric tonnes

By country - Scope 2 activity in metric tonnes of CO2-e by individual country

| Country | Scope 2 Emissions (metric tonnes CO2-e) |
|---------|--|
| USA | 92310 |

Electricity consumption

e. Total global MWh of purchased electricity

175453 MWh

f. Total MWh of purchased electricity for Annex B countries

175453 MWh

By country – MWh of purchased electricity by individual country.

| Country | |
|---------|--------|
| USA | 175453 |

g. Total global MWh of purchased electricity from renewable sources

0 MWh

h. Total MWh of purchased electricity from renewable sources for Annex B countries

0 MWh

By country – MWh of purchased electricity from renewable sources by individual country.

Country

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Yes

The electricity consumption for the year 2007 is not truly comparable with the year 2006 figures as the total portfolio under management has increased by one large property and our employee population has also increased in three other properties.

Question 2(b)(ii) Scopes 1 and 2 of GHG Protocol

If you are unable to detail your Scope 1 and Scope 2 GHG emissions and/or electricity consumption, please report the GHG emissions you are able to identify together with a description of those emissions. If you have answered 2(b)(i), please go to question 2(c)(i).

N/A

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(c)(i) Other Emissions – Scope 3 of GHG Protocol

How do you identify and/or measure Scope 3 emissions?

At this time, we are unable to estimate the GHG Emissions from employee commuting or travel or leased properties.

Please provide where possible:

a. Details of the most significant Scope 3 sources for your company.

b. Details in metric tonnes CO₂-e of GHG emissions in the following categories:

i Employee business travel.

ii External distribution/logistics

iii Use/disposal of company's products and services.

iv Company supply chain.

c. Details of the methodology you use to quantify or estimate Scope 3 emissions.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(d) External Verification

(i) Has the information reported in response to Questions 2(b)- (c) been externally verified or audited or do you plan to have the information verified or audited?

No (Please go to question 2 (e))

(ii) If your answer to question 2d(i) is Yes, please provide or attach a copy of the audit or verification statement or state your plans for verification.

(iii) Please specify the standard or protocol against which the information has been audited or verified.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(e) Data Accuracy

Does your company have a system in place to assess the accuracy of GHG emissions inventory calculation methods, data processes and other systems relating to GHG measurement? If so, please provide details. If not, please explain how data accuracy is managed.

Yes, we do have a system.

As a standard business practice, we maintain detail database for all energy consumption by month and by property. The source of all the data is the actual utility invoices. From those records, we have calculated the GHG Emissions by using GHG Protocol calculator.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(f) Emissions History

Do the emissions reported for your last accounting year vary significantly compared to previous years? If so, please explain reasons for the variations.

Yes, they do vary significantly.

The 2007 data is not truly comparable to the 2006 data. We have added one large property to the portfolio that we manage and our employee population has also increased in three other properties.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(g) Emissions Trading

i) Does your company have facilities covered by the EU Emissions Trading Scheme?

No, we do not. (Please go to question 2(g)(ii) below)

If so:

a) Please provide details of the annual allowances awarded to your company in Phase I for each of the years from 1 January 2005 to 31 December 2007 and details of allowances allocated for Phase II commencing on 1 January 2008.

In all cases, please enter whole numbers without punctuation, For example, enter 2000 instead of 2,000.

Please enter allowance in Metric Tonnes of CO2:

1 January 2005-31 December 2005

1 January 2006-31 December 2006

1 January 2007-31 December 2007

b) Please provide details of actual annual emissions from facilities covered by the EU ETS with effect from 1 January 2005.

Please enter emissions in Metric Tonnes of CO2.

1 January 2005-31 December 2005

1 January 2006-31 December 2006

1 January 2007-31 December 2007

Phase II annual allowances

1 January 2008 – 31 December 2008

1 January 2009 – 31 December 2009

1 January 2010 – 31 December 2010

1 January 2011 – 31 December 2011

1 January 2012 – 31 December 2012

c) What has been the impact on your company's profitability of the EU ETS?

ii) What is your company's strategy for trading or participating in regional and/or international trading schemes (eg: EU ETS, RGGI, CCX) and Kyoto mechanisms such as CDM and JI projects? Explain your involvement for each of the following:

EU ETS

N/A

CDM/JI

CCX

RGGI

Others

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 2(h) Energy Costs

i) Please identify the total costs in US \$ of your energy consumption eg from fossil fuels and electric power.

If you want to enter a number less than 1, please ensure you use a decimal point (e.g. 0.3) and NOT a comma (e.g. 0,3)

21158905 US\$

ii) What percentage of your total operating costs does this represent?

0.069 %

iii) What percentage of energy costs are incurred on energy from renewable sources?

0 %

More details

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

3 - Performance

Question 3(a) Reduction Plans

i) Does your company have a GHG emissions reduction plan in place? If so, please provide details along with the information requested below. If there is currently no plan in place, please explain why.

Yes, we have a reduction plan in place. (Please proceed to part (ii))

ii) What is the baseline year for the emissions reduction plan?

2007

If you want to give further information or describe a rolling target, please do so here.

iii) What are the emissions reduction targets and over what period do those targets extend?

We plan to decrease GHG emissions by 10% over the next 5 years.

iv) What activities are you undertaking to reduce your emissions eg: renewable energy, energy efficiency, process modifications, offsets, sequestration etc? What targets have you set for each and over what timescales do they extend?

Energy conservation by the use of energy efficient equipment and operation. We are also evaluating Solar energy project.

v) What investment has been or will be required to achieve the targets and over what time period?

Not available at this time.

vi) What emissions reductions and associated costs or savings have been achieved to date as a result of the plan?

N/A

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 3(b) Emissions Intensity

i) What is the most appropriate measurement of emissions intensity for your company?

Metric tonnes of CO₂-e per square meter

Please give your company's emissions intensity figure for the measurement given above.

If you want to enter a number less than 1, please ensure you use a decimal point (e.g. 0.3) and NOT a comma (e.g. 0,3)

0.171

ii) Please state your GHG emissions intensity in terms of total tonnes of CO₂-e reported under Scope 1 and Scope 2 per US \$m turnover and EBITDA for the reporting year.

Scope 1/ US\$millions turnover

0.252

Scope 2/ US\$millions turnover

2.683

Scope 1/ EBITDA

1.847

Scope 2/ EBITDA

19.64

iii) Has your company developed emissions intensity targets?

No, we have not developed emission intensity targets for the following reason(s):

At the present time, we do not have emission intensity targets but will examine it in the future.

a) If the answer to part (iii) above is yes, please state your emissions intensity targets

b) If the answer to part (iii) above is yes, please state what reductions in emissions intensity have been achieved against targets and over what time period.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 3(c) Planning

Do you forecast your company's future emissions and/or energy use?

Yes, we do. (Please answer questions (i) to (iii) below.)

i) Please provide details of those forecasts, summarize the methodology used and the assumptions made.

If you are able to give quantified forecasts of Scope 1 and Scope 2 emissions and/or electricity consumption, you can enter numerical data on the next page.

We forecast the energy consumption based on our anticipated space requirement and anticipated energy usage in those properties.

ii) How do you factor the cost of future emissions into capital expenditure planning?

Capital expenditures are specifically planned for energy reduction targets which results in reduced GHG emissions.

iii) How have these considerations made an impact on your investment decisions?

These decisions have reduced the energy consumed and thus reduced GHG emissions significantly over the last 10 years.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 3(c) (i) Planning - Forecasted emissions/electricity use - Year 1 answers

This page gives you the opportunity to give numerical forecasts for emissions and electricity use. If possible, please provide emissions forecasts for the next five reporting periods. Use the "Add additional year figures" button at the end of the page to enter emission forecasts for successive reporting periods. Note: Please enter whole numbers without punctuation. For example, use 2000 instead of 2,000

Please enter the accounting period used to report GHG emissions details below.

Dates not selected.

Forecasted Scope 1 Direct GHG Emissions: Please provide:

a. Forecasted Total global Scope 1 emissions in Metric Tonnes CO₂-e.

b. Forecasted Total Scope 1 emissions in Metric Tonnes CO₂-e for Annex B countries.

By country - Forecasted Scope 1 emissions in Metric Tonnes of CO₂-e by individual country

Using the same methodology please state your emissions forecasts per country. NB : If it is not practical for you to list emissions on a full country by country basis, please list here countries with significant emissions in the context of your business and combine the remainder under "rest of world". If you already have this information in another format (e.g Excel) please attach it.

| Country | Scope 1 Emissions (metric tonnes CO ₂ -e) |
|---------|---|
|---------|---|

Scope 2 Indirect GHG emissions: Please provide:

c. Forecasted total global Scope 2 emissions in Metric Tonnes CO₂-e

d. Forecasted total Scope 2 emissions in Metric Tonnes CO₂-e for Annex B countries

By country - Forecasted Scope 2 emissions in Metric Tonnes of CO₂-e by individual country

| Country | Scope 2 Emissions (metric tonnes CO ₂ -e) |
|---------|---|
|---------|---|

Forecasted electricity consumption

e. Forecasted total global MWh of purchased electricity

f. Forecasted total MWh of purchased electricity for Annex B countries

By country – Forecasted MWh of purchased electricity by individual country.

| Country |
|---------|
|---------|

g. Forecasted total global MWh of purchased electricity from renewable sources

h. Forecasted total MWh of purchased electricity from renewable sources for Annex B countries

By country – Forecasted MWh of purchased electricity from renewable sources by individual country.

| Country |
|---------|
|---------|

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

4 - Governance

Question 4(a) Responsibility

Does a Board Committee or other executive body have overall responsibility for climate change? If not, please state how overall responsibility for climate change is managed. If so, please answer parts (i) and (ii) below.

Yes, an executive body does have overall responsibility for climate change.

i) Which Board Committee or executive body has overall responsibility for climate change?

Prudential's Environmental Task Force, comprised of company executives, is responsible for coordinating climate change, environmental stewardship and risk management practices for the company.

ii) What is the mechanism by which the Board or other executive body reviews the company's progress and status regarding climate change?

The Task Force is charged with developing reporting indicators for the company. They will incorporate current measures, such as annual energy consumption/reduction objectives that are set and monitored. In addition, they may comprise additional indicators.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 4(b) Individual Performance

Do you assess or provide incentive mechanisms for individual management of climate change issues including attainment of GHG targets? If so, please provide details.

Yes, we do.

One of the factors used in determining the incentive compensation of an individual charged with facility management is the cost of operating the properties. And, the energy cost or the reduction in the energy cost is one of those factors that comprises the cost of operating the properties. Reduction in the energy consumed directly reduces the GHG emissions.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 4(c) Communications

Please indicate whether you publish information about the risks and opportunities presented to your company by climate change, details of your GHG emissions and plans to reduce emissions through any of the following communications:

i) the company's Annual Report or other statutory filings

No

ii) formal communications with shareholders or external parties

No

iii) voluntary communications such as Corporate Social Responsibility reporting

Yes

General information on Prudential's environmental stewardship activities is currently posted on the company's website. In addition, there are ongoing communications with employees relative to the company's programs and how employees can improve their individual stewardship efforts.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

Question 4(d) Public Policy

Do you engage with policymakers on possible responses to climate change including taxation, regulation and carbon trading? If so, please provide details.

Yes

Prudential has joined the Business Roundtable's Climate Resolve Initiative. This effort is promulgating a strategic policy aimed at reducing Greenhouse Gas Emissions while strengthening the U.S. economy.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

No

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