



# 2026 Climate Transition Plan



# We are Prudential.

For every life, we are partners.

For every future, we are protectors.

For Prudential, climate action is about building resilience for our business, our customers, and our communities, while creating long-term value and sustainable growth. Our Climate Transition Plan sets out how we will play our part in the global transition to net zero and deliver on our purpose.

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# Executive summary

Building resilience for our business, our customers, and the communities we serve is at the heart of Prudential’s approach to our Climate Transition Plan. Our markets in Asia and Africa are among the fastest-growing globally, yet they face a convergence of challenges, particularly those faced by emerging markets generally: climate risks compounded by economic inequality, rising health vulnerabilities, and gaps in insurance coverage that leave millions without adequate protection against shocks. Acting on climate enables us to manage material physical and transition risks, as well as unlock opportunities such as those relating to transition finance and inclusive insurance. At the same time, we believe this strengthens resilience across our business and markets.

This is the second iteration of our Climate Transition Plan, reflecting the progress and updates made since our first plan was released in 2023. It includes our updated strategy and targets, a stronger focus on our unique transition implementation approaches, and a clearer view of the challenges, opportunities and dependencies of our transition towards net zero.

We have made more transparent the alignment between our climate ambitions and business strategy, introduced new targets, and sharpened our focus on areas where we believe we can create the greatest impact. Our ambition remains to become a net zero asset owner by 2050, supported by interim **targets and actions** across our business areas of investments, operations, and insurance.

Our **implementation strategy** reflects Prudential’s unique position as both a global and local business. In **investments**, we prioritise Financing the Transition and stewardship over divestment. We recognise that withdrawing capital can be detrimental to decarbonisation efforts by widening the transition financing gap, and undermining a just transition by constraining economic growth in emerging markets. This could, in turn, affect our own continued growth, and be detrimental to our stakeholders. Through our Financing the Transition Framework, we channel capital into those transition opportunities which we assess to be credible. Our aim is to meet our fiduciary responsibilities while also enabling systemic change through, for example, infrastructure development, job creation, and resilience.

In **operations**, we are implementing our Environmental Toolkit to improve energy efficiency, expand renewable energy sourcing, and transition to green vehicle fleets, actions that reduce costs and strengthen operational resilience. In **insurance**, we are developing innovative products to address climate-linked health risks, supported by research, partnerships, and community investment. We are in the early stages of developing a comprehensive approach for integrating nature and adaptation, focusing on our key dependencies and impacts across our investments, operations and products.

Effective transitioning to net zero cannot be achieved in isolation: it requires efforts within our own business and value chains, and from the wider global ecosystem of financial services, corporate actors and policymakers. Our Climate Transition Plan details our approach to **engagement** with these stakeholders, and reiterates the importance of **strong governance** underpinning our strategy.

Targets and progress up to 2025

We aim to reach \$6 billion of qualifying Financing the Transition (FTT) investments committed by 2030 to support the transition to a lower-carbon future

On track

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We remain committed to reducing the weighted average carbon intensity of our in-scope Investment Portfolio by 55% by 2030 against a 2019 baseline, making positive progress to date whilst acknowledging that future progress is unlikely to be linear

On track

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We continue to prioritise active stewardship, historically engaging with companies responsible for at least 65% of our financed emissions. From 2026, we have shifted our annual corporate engagement target to focus on the top 40 companies that contribute the most to the absolute emissions within our in-scope Investment Portfolio and are assessed to be falling behind on transition requirements, spanning both listed equity and corporate bonds

Fully met

For our operations, we aim to achieve carbon neutrality across Scope 1 and 2 emissions by 2030, supported by a 25% reduction in emissions intensity, by scaling our operational decarbonisation efforts in a consistent, cost-efficient and systematic manner

On track

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Across our insurance business, we are expanding climate and health resilience through inclusive products and partnerships, recognising the growing health risks and protection gaps in our markets

No formal target

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Prudence Foundation, our philanthropic arm, supports intervention programmes to build community resilience by empowering vulnerable communities to be better informed, better prepared and protected against health risks exacerbated by climate change.

No formal target

## How to read our Climate Transition Plan

This is the second iteration of our Climate Transition Plan, reflecting the progress we have made and updates to our strategy since our first plan in 2023. It includes our updated implementation strategy and targets, a stronger focus on our transition implementation actions, and a clearer view of the challenges, dependencies and opportunities for our transition towards net zero.

As highlighted in our inaugural Climate Transition Plan, there is inherent uncertainty in long-term, forward-looking plans, and particularly those related to climate. In this updated plan, we have sought to be transparent about the challenges, uncertainties, dependencies and assumptions made within our Climate Transition Plan. We remain committed to transparently communicating our progress through annual updates on our targets and progress in our Sustainability Report, and future iterations of our Climate Transition Plan where relevant.

We have considered the Transition Plan Taskforce (TPT) Disclosure Framework and other external guidance on transition plans when drafting this Climate Transition Plan, taking into account these recommendations so that our Climate Transition Plan remains relevant for our strategy and stakeholders.

We are committed to evolving our approach as we learn, ensuring that our efforts contribute to real-world decarbonisation and resilience, and we therefore expect that our Climate Transition Plan will be continually iterated to reflect any substantive updates to our strategy.

# CFO foreword: Building resilience through our transition



**Ben Bulmer**  
Chief Financial Officer and  
Group Executive Sustainability Committee Chair

Building resilience for our business, our customers, and the communities we serve is at the heart of our approach to the climate transition. Prudential’s markets in Asia and Africa are facing climate risks and rising energy demand, whilst being among the fastest-growing globally. Acting on climate enables us to strengthen resilience across our business and markets by protecting livelihoods and supporting sustainable economic development. We do this by assessing and managing our exposures to climate risks while unlocking opportunities in transition finance, energy-efficient operations, inclusive insurance, and innovation that will shape the future of health and financial protection, positioning Prudential for sustainable growth.

Since publishing our first Climate Transition Plan in 2023, we have worked to more transparently align our climate and business actions, focusing on risk management as well as areas where we can have an impact. In executing the Plan, we continue to place our fiduciary duties to our policyholders and shareholders at the centre. We launched our **Financing the Transition Framework** and committed to \$6 billion of transition finance by 2030 with a particular focus on emerging markets where we operate. A proud example of this is the \$200 million we committed, as a founding investor in Brookfield’s Catalytic Transition Fund, which has invested in a renewable development platform in Southeast Asia with 1.8+ GW portfolio across solar, wind and battery energy storage systems. Brookfield also formed a strategic joint venture with a leading renewable power developer in Malaysia which has developed more than 2,800 projects to date, totalling over 2.3 GW of capacity across key Southeast Asian markets.

Additionally, we developed our Environmental Toolkit for **scaling decarbonisation of our operations** across our Asian and African businesses in a consistent, cost-efficient and systematic manner. This initiative has shown how targeted investments can strengthen operational resilience and reduce costs: our Zambia business experienced significant disruption due to the unreliability of the utility power grid, which we addressed through the installation of solar panels. This initiative has successfully reduced business interruption risks and minimised the costs for generator usage. We are also activating and upskilling our people to help build the

capabilities needed for the transition and strengthen our collective purpose, collaboration and innovation across our business.

We have **strengthened our efforts to improve climate and health resilience**. Across our markets, millions remain without financial protection due to affordability and accessibility barriers. These vulnerabilities are heightened by the risks and impacts of climate change. We are developing simplified solutions tailored to local needs, and embedding climate and health resilience through products, partnerships, research, and community investment. Through these actions, we are working to close the gaps in existing societal provision and resilience.

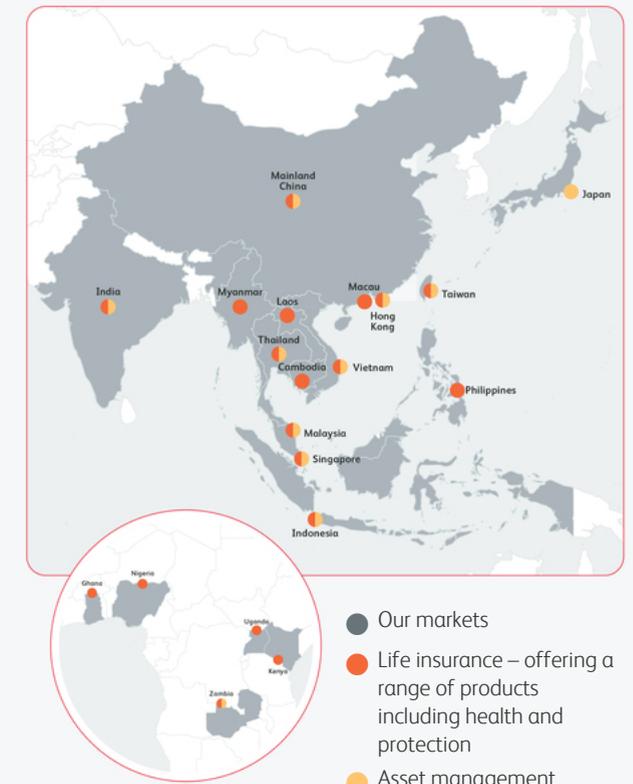
We are also investing in the **skills and motivation of our people**, ensuring that every colleague can contribute towards our goals. We have begun to integrate nature and adaptation into our strategy, recognising the importance of their roles for resilient futures. Whilst we continue with our actions, we recognise that global progress toward net zero will influence the pace and success of our transition. Achieving our goals depends on action across governments, industries, and financial markets. We aim to address this through a mix of stakeholder engagement, advocacy and thought leadership.

This Climate Transition Plan communicates how we intend to contribute towards the climate transition and to resilient futures: protecting our customers’ and communities’ livelihoods, delivering sustainable growth for our business, and creating long-term value for our customers and shareholders.

“Acting on climate enables us to strengthen resilience across our business and markets by protecting livelihoods and supporting sustainable economic development.”

## About Prudential

We provide life and health insurance and asset management services in Greater China, ASEAN, India and Africa. Our mission is to be the most trusted partner and protector for this generation and generations to come, by providing simple and accessible financial and health solutions. Our approach to sustainability is guided by our purpose: ‘For every life, we are partners. For every future, we are protectors.’



# Foundations

## Strategic context

Supporting the long-term resilience of our customers and markets is critical to our long-term growth. Increasingly, the risks associated with climate change are being felt across our markets, particularly within the emerging and low-income countries in which we operate. Communities in these countries often suffer disproportionately from the negative impacts of climate change, despite having historically contributed less to the cumulative greenhouse gas (GHG) emissions present in our atmosphere today.

Our climate strategy and implementation approach has been developed to support our duties to our policyholders, shareholders, employees, and the communities in which we operate. Climate change is not just an environmental challenge, but an economic and social imperative. Costs to the global economy are rising, with climate impacts projected to reduce global GDP by more than 4% by 2050, with countries in South Asia expected to face up to ten times greater exposure than more temperate regions.<sup>1</sup> Climate-related disruptions are increasing vulnerabilities across global supply chains, as severe weather, rising temperatures, and resource scarcity affect production and logistics, conditions that may translate into broader financial and investment risks. These same physical impacts, including air pollution, and climate-induced diseases, also threaten the health and wellbeing of people and societies, particularly across Asia and Africa. In 2024, Asia experienced one of its warmest years on record, with data indicating that the region is warming nearly twice as fast as the global average.<sup>2</sup> These health impacts are more severe in low-income countries lacking critical healthcare infrastructure, underscoring the need for investment and support to build resilience and ensure access to reliable, affordable energy for sustainable economic development.

As an asset owner with a long-term investment horizon, we integrate assessments of short-, medium- and long-term climate-related risks and opportunities into our investment strategy, with an aim to enhance resilience and sustainable value creation across our investments. As a large global business with over 15,000 employees, we maintain the robustness of our operations by investing systematically to decarbonise our business. And, as a life and health insurer servicing the needs of our customers, many of whom live in emerging markets, we consider how we can support the resilience of our customers and the communities in which they live. We view the transition to net zero as a strategic opportunity to advance sustainable, resilient economic and societal wellbeing, an imperative that mitigates risk and underpins long-term growth for us and the insurance sector.

<sup>1</sup> S&P Global Ratings, Lost GDP: Potential Impacts of Physical Climate Risks

<sup>2</sup> World Meteorological Organization, State of the Climate in Asia 2024



# Delivering real-world impact and long-term resilience

Our purpose

**We are Prudential.**

For every life, we are partners.  
For every future, we are protectors.

## Sustainability pillars



Simple and accessible health and financial protection



Responsible investment



Sustainable business



For more on our sustainability strategy, see our Sustainability Report

## Strategic actions of our climate transition plan



### Investments

- > Decarbonising our in-scope Investment Portfolio
- > Financing the Transition
- > Effective stewardship



### Operations

- > Implementing on our Environmental Toolkit
- > Embedding sustainability across our people
- > Considering our supply chain



### Insurance

- > Embedding climate and health resilience



### Governance

Effective climate oversight, incentivisation, and building the skills and culture required to transition



### Engagement

Engaging with key stakeholders to advocate for the transition

### Key targets

For more on how we are progressing our targets, see page six

Deliver a **55% reduction** in the carbon emissions intensity of our in-scope Investment Portfolio by 2030 against our 2019 baseline.

Commit **\$6 bn** of Financing the Transition (FTT) portfolio investments by 2030 to support a lower-carbon future.

Engage with the companies responsible for **65%** of absolute emissions in our in-scope Investment Portfolio.

Achieve carbon neutrality across Scope 1 and 2 emissions (market-based), via reducing our emissions intensity by **25%** from a 2016 baseline, and abating the remaining emissions via carbon offsetting by 2030.

All people managers to have a **sustainability-linked goal** by 2026.

**Our climate ambitions**

We remain committed to our ambition of becoming a Net Zero+ Asset Owner by 2050, supported by our interim climate targets and implementation actions across our core business areas. Our ambition is to contribute to financing the transition in Asia and Africa, unlocking growth and delivering value for customers and shareholders, while building resilience across our customers and communities.

† In the context of Prudential, net zero and carbon neutral have the following meanings: ‘Net zero’, in regard to greenhouse gas emissions, refers to a state in which the greenhouse gases going into the atmosphere are reduced as close to zero as possible and any residual emissions are balanced by removals from the atmosphere. When translating these emissions to the activities in the value chain of an organisation, net zero is a state in which the activities of the value chain for an organisation result in net zero greenhouse gas emissions, in a time frame consistent with the Paris Agreement. ‘Carbon neutral’ for an organisation refers to relying on carbon offsets to balance its value chain’s greenhouse gas emissions, whereas net zero refers to prioritising reductions in an organisation’s value chain greenhouse gas emissions to as close to zero as possible. Only then are any residual emissions balanced by removals from the atmosphere.



For a more detailed breakdown of our climate-related targets, metrics, and progress against them, see the Targets and metrics section.

**Investments**

**Deliver a 55% reduction in the carbon emissions<sup>1</sup> intensity of our in-scope Investment Portfolio by 2030 against our 2019 baseline**

As of 31 December 2025, we reduced the WACI of our in-scope Investment Portfolio by 53% against our 2019 baseline.

On track

**Reach \$6 billion of Financing the Transition (FTT) portfolio investments committed by 2030 to support lower-carbon future**

As of 31 December 2025, we have committed \$1.5 billion to FTT investments through our FTT Framework.

On track

**Engage with the companies responsible for 65% of absolute emissions in our in-scope Investment Portfolio<sup>2</sup>**

This is an ongoing annual target, which we have fully met in 2025 for the identified cohort of companies.

Fully met

**Key actions detailed in our transition plan**

- Decarbonising our in-scope Investment Portfolio
- Financing the Transition
- Effective stewardship

**Time frame<sup>4</sup>**

- Short-, medium- and long-term

See Implementation strategy: **Investments**

**Operations**

**Achieve carbon neutrality across Scope 1 and 2 emissions (market-based), supported by a 25% reduction in emissions intensity from a 2016 baseline, and abating the remaining emissions via carbon offsetting<sup>3</sup> by 2030**

We have reduced our emissions intensity by 83% against our 2016 baseline, achieving an intensity ratio of 0.38 tCO<sub>2</sub>e/FTE for 2025. This puts us on track to meet our 2030 target of 1.65 tCO<sub>2</sub>e/FTE.

On track

**All people managers to have a sustainability-linked goal by 2026**

In 2025, more than 7,100 employees in our Group head offices and life businesses (including all people managers) set at least one sustainability-linked goal, while Eastspring Investments adopted sustainability goals for specific people managers linked to the nature of their role and business priorities.

Fully met

**Key actions detailed in our transition plan**

- Implementing on our Environmental Toolkit
- Embedding sustainability across our people
- Considering our supply chain

**Time frame<sup>4</sup>**

- Short- and medium-term

See Implementation strategy: **Operations**

**Insurance**

**We aim to enhance the climate and health-related resilience of our customers and communities**

We continued to enhance the integration and adoption of our Inclusive Insurance Framework to broaden understanding on the range of solutions that can address protection needs of a broader customer segment.

Through the Prudence Foundation, we support local initiatives that address local climate impacts on health across 16 markets through the Climate and Health Resilience Fund and strategic partnerships.

No formal target

**Key actions detailed in our transition plan**

- Embedding climate and health resilience

**Time frame<sup>4</sup>**

- Short-, medium- and long-term

See Implementation strategy: **Insurance**

1 Carbon emissions refer to carbon dioxide equivalent emissions (CO<sub>2</sub>e) per the Greenhouse Gas (GHG) Protocol, including carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).  
 2 From 2026, we have shifted our annual corporate engagement target to focus on the top 40 companies that contribute the most to the absolute emissions within our in-scope Investment Portfolio and are assessed to be falling behind on transition requirements, spanning both listed equity and corporate bonds.

3 For more details on our approach to carbon offsets, please see the relevant discussion within our Sustainability report.

4 Short term: zero to three years. Medium term: three to five years. Long term: five to 30 years.

## Key assumptions and external factors

Achieving a net zero future requires action across industries, geographies, and amongst public and private actors. Our Climate Transition Plan is shaped by a range of assumptions and dependencies – such as policy direction, market dynamics, and

technological progress – that provide important context for understanding our goals and the implementation actions we are taking to achieve them. The successful implementation of our Climate Transition Plan and achievement of our sustainability

targets depends in large part on the rest of the real economy decarbonising alongside us, particularly given the majority of our carbon footprint arises from our financed emissions.

We have identified the following, non-exhaustive assumptions and dependencies that should be considered when reading our Climate Transition Plan, including examples of how we are responding.

Consideration	Dependency	Assumptions	Prudential response								
<b>Policy and regulation</b>	Credible climate commitments and policies	<ul style="list-style-type: none"> <li>– Governments and regulators support a science-based transition, and adopt clear national transition policies, supplemented by sectoral roadmaps</li> <li>– Governments' actions align with set commitments and policies which results in clear progress towards meeting decarbonisation targets</li> <li>– Governments and regulators ensure coordination and alignment of policies and regulations</li> <li>– Governments and regulators maintain a stable policy environment allowing for long-term investments in large-scale projects such as infrastructure</li> <li>– Carbon pricing mechanisms are appropriately implemented</li> <li>– Geopolitical events do not disincentivise real economy transition</li> <li>– Conflicting or inconsistent government philosophies and policies across jurisdictions do not impede progress towards overall goals in our markets</li> </ul>	<ul style="list-style-type: none"> <li>– Engage with governments, regulators and standard setters across our markets in Asia and Africa to advocate for science based climate-related policies and standards</li> <li>– Respond to relevant national and international consultations on climate-related topics</li> </ul>								
<b>Capital market infrastructure</b>	Well-functioning investment ecosystem across local markets	<ul style="list-style-type: none"> <li>– Well-functioning local capital markets are available for investors to be able to support the transition</li> </ul>	<ul style="list-style-type: none"> <li>– Continue to use our market influence as an asset owner to mainstream responsible investments in emerging markets and contribute towards establishing a positive ecosystem more broadly, via engagement with investee companies, our asset managers, and local policymakers</li> </ul>								
<b>Energy, infrastructure and technology</b>	Green energy infrastructure and technology readiness, and continuous introduction of renewable energy into national grids	<ul style="list-style-type: none"> <li>– Renewable energy generation increases in scale and quantity, with supportive policy and technology advancements to accelerate energy supply, efficiency, and adoption</li> <li>– National grid(s) are developed to keep pace with the availability of renewable energy</li> <li>– Green energy infrastructure is developed and improved in our markets in a timely manner to ensure availability of low-carbon energy for both Prudential and our investee companies</li> <li>– Green vehicle fleet infrastructure will continue to develop across our markets</li> <li>– Carbon removal technologies are developed and deployed at scale</li> <li>– There remains a sufficient supply of critical materials to support the development of energy transition infrastructure</li> </ul>	<table border="0"> <tr> <td>For investments:</td> <td>For Prudential Scope 1 and 2:</td> </tr> <tr> <td>– Engagement with utility companies on their transition</td> <td>– Embedding energy efficiency programmes in our businesses</td> </tr> <tr> <td>– Engagement with policymakers on regional infrastructure (eg, plans for ASEAN grid)</td> <td>– Market scanning for available renewable energy schemes and feasibility of green fleet initiatives</td> </tr> <tr> <td></td> <td>– Engage with infrastructure providers and policymakers to encourage favourable conditions for green energy and fleet</td> </tr> </table>	For investments:	For Prudential Scope 1 and 2:	– Engagement with utility companies on their transition	– Embedding energy efficiency programmes in our businesses	– Engagement with policymakers on regional infrastructure (eg, plans for ASEAN grid)	– Market scanning for available renewable energy schemes and feasibility of green fleet initiatives		– Engage with infrastructure providers and policymakers to encourage favourable conditions for green energy and fleet
For investments:	For Prudential Scope 1 and 2:										
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	– Engage with infrastructure providers and policymakers to encourage favourable conditions for green energy and fleet										
<b>Just transition and green financing</b>	Availability of credible, just transition and green financing opportunities across our markets	<ul style="list-style-type: none"> <li>– International taxonomies are developed and adopted, allowing for capital market flows to be redirected to transition activities for continued economic growth in developing markets in parallel with their transition to low-carbon economies</li> <li>– Transition financing opportunities which meet our fiduciary duties to our policyholders and shareholders are available in the market</li> <li>– Recognition of transition finance as a credible investment category by regulators, policymakers and globally recognised standard setters</li> </ul>	<ul style="list-style-type: none"> <li>– Development of our Financing the Transition Framework</li> <li>– Engagement with key stakeholders to enhance recognition, credibility and applicability of transition financing opportunities</li> <li>– Transparent disclosure of our FTT Framework methodology and progress</li> </ul>								
<b>Macroeconomic stability</b>	Stable inflation, exchange rates and market factors	<ul style="list-style-type: none"> <li>– Favourable global and local economic environments to support economic growth in emerging markets</li> <li>– No sudden capital outflow from the markets we operate in due to policy uncertainty</li> </ul>	<ul style="list-style-type: none"> <li>– Scenario analysis and stress testing (including shocks driven by climate-related risks) to ensure Prudential can withstand macroeconomic shocks</li> <li>– Engage with policymakers to support long-term sustainable macroeconomic policy</li> </ul>								
<b>Social and technical readiness of investee companies</b>	Investees' ability to decarbonise	<ul style="list-style-type: none"> <li>– Investees have access to clean technology solutions</li> <li>– Investees have adequate social and corporate willingness to transition, and access to funding on commercially viable terms</li> </ul>	<ul style="list-style-type: none"> <li>– Engagement with in-scope investee companies to support and encourage them to transition</li> <li>– Engagement with policymakers on supporting the transition of real economy industries</li> </ul>								
<b>Data quality and availability</b>	Reliable data and models across investment portfolios and market segments, related to both climate and health impacts	<ul style="list-style-type: none"> <li>– High-quality, comparable climate-related data is available in respect of investee companies</li> <li>– Granular data on climate-related hazards, their interconnectedness to multiple socioeconomic and behavioural factors, and their health impacts becomes more available</li> <li>– Industry-wide financial climate risk modelling continues to improve with greater accuracy in forecasting physical impacts, policy shifts, technological development and market responses, to avoid misinterpretation and misrepresentation of financial impacts to the Group, particularly for longer-term time horizons</li> </ul>	<ul style="list-style-type: none"> <li>– Collaborate with data providers, disclosure standard setters and asset managers to improve climate-related data, enhancing coverage and consistency</li> <li>– Encourage investee companies to disclose climate data, including credible transition plans</li> <li>– Integrate learnings from pilot programmes to build more robust data sets to inform our product design and strategic approach</li> <li>– Continue to review industry practice for climate risk modelling and improving our methodologies proportionate to the size and complexity of the risk</li> </ul>								

## Implementation strategy

We recognise that climate change and resilience remain critical challenges across many of our markets. Our climate strategy and implementation approach has been developed to support our fiduciary duties to our policyholders and shareholders, and our responsibilities to our employees and communities in which we operate. It also reflects the climate-related risks and opportunities we have identified across our business, which is critical for our business and the resilience of our strategy.

We have analysed our climate-related risks and opportunities in a targeted manner, as documented in our historical Task Force on Climate-related Financial Disclosures (TCFD) reports, to understand how our business may be impacted in the short, medium and long-term as the world transitions to net zero. For a full overview of our risk management approach to identify, mitigate, manage and respond to climate-related risks and opportunities, including our scenario analysis process and outcomes, see our Sustainability Report.

The implementation of our Climate Transition Plan is grounded in our wider sustainability strategy and reflects who Prudential is as a business, utilising our influence and actions across our investments, insurance, and operations.



# Investments

We view the transition to net zero as both a business imperative and an opportunity to create long-term value. By decarbonising our investments, financing the transition, and actively engaging with and supporting our investee companies, we strengthen our in-scope Investment Portfolio's resilience, reduce our exposure to physical and transition climate risks, and support sustainable growth in emerging markets. Our approach is grounded in a just and inclusive transition that aligns climate action with local development priorities.

As an asset owner and manager, the financed emissions from our investments represent the significant majority of our GHG emissions profile. Financing the transition and reducing these emissions are therefore the most effective ways we can support the transition to net zero, whilst strengthening our in-scope Investment Portfolio's resilience to climate-related risks. This is critical to our role as long-term stewards of our policyholders' and shareholders' assets. Through responsible investment in line with our fiduciary duties, we manage risk, capture growth opportunities, and meet insurance liabilities – ensuring we can support customers now and in the future.

## Up to and including 2025

We reduced the carbon emissions intensity of our in-scope Investment Portfolio by  
**53%**  
against our 2019 baseline

We have committed  
**\$1.5 billion**  
to FTT investments committed through our FTT Framework

We engaged with the companies responsible for  
**65%**  
of absolute emissions in our in-scope Investment Portfolio

## By 2030

Deliver a  
**55%**  
reduction in the carbon emissions intensity of our in-scope Investment Portfolio by 2030 against our 2019 baseline

Reach  
**\$6 billion**  
of Financing the Transition (FTT) portfolio investments committed by 2030 to support a lower-carbon future

From 2026, we have shifted our annual corporate engagement target to focus on the  
**top 40**  
companies that contribute the most to the absolute emissions within our in-scope Investment Portfolio and are assessed to be falling behind on transition requirements, spanning both listed equity and corporate bonds

## By 2050

Become a  
**Net zero**  
asset owner for our in-scope Investment Portfolio

### Scope of the investment targets

The in-scope Investment Portfolio is a subset of our assets under management. The in-scope Investment Portfolio includes shareholder and policyholder assets from majority- and wholly-owned life businesses only. It excludes assets from investment-linked products (also referred to as unit-linked products) and asset classes for which there is no industry-recognised target-setting methodology.

Within the in-scope Investment Portfolio: the FTT target applies to all asset classes; the carbon emissions intensity target relates only to listed equities, classified corporate bonds, and real estate; and the engagement target applies only to listed equities and classified corporate bonds.



For more information, see our [Basis of Reporting](#).

We prioritise engagement and financing the transition over divestment wherever possible. We recognise that withdrawing capital may have a counterproductive effect in certain cases, by widening the transition financing gap and undermining economic growth, particularly in emerging markets. Our climate-related implementation strategy for responsible investment reflects this prioritisation by focusing on financing the transition and our stewardship as an asset owner.

An important aspect of our implementation strategy is how we reflect the needs of emerging markets. Prudential is uniquely positioned as both a global and local asset owner, with a significant portion of our assets invested in the countries where we operate, particularly across Asia and Africa. This dual role shapes our engagement with asset managers and informs a more selective approach to investment, driven in part by local regulatory requirements. It also enables us to support long-term decarbonisation while seeking to create growth opportunities, as well as reinforcing our commitment to a transition that aligns climate action with local development priorities.

Underpinning this ambition is our support for a just and inclusive transition, such that no country or community is left behind whilst global efforts to decarbonise are scaled up. We believe that a just and inclusive approach is critical to achieving global climate ambitions. We recognise this comes with challenges, including potential short-term impacts on the carbon intensity of our in-scope Investment Portfolio. Embracing these complexities, which are particularly present in emerging markets, and working through them with our stakeholders is essential for achieving meaningful, long-term climate risk mitigation.

**Key actions**

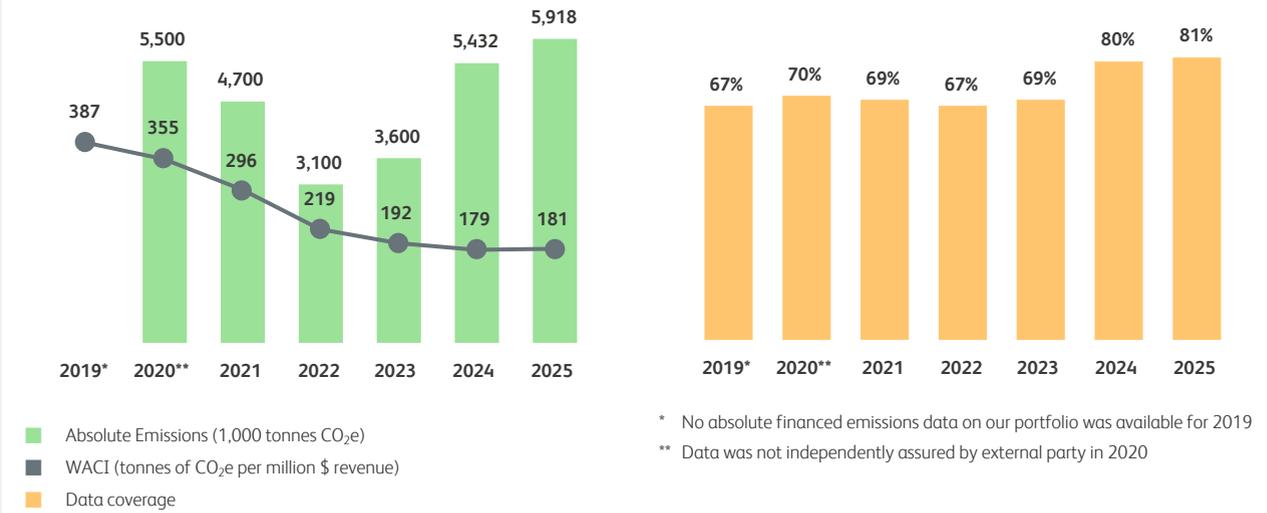
**Decarbonise our in-scope Investment Portfolio**

As a long-term investor and steward of our policyholders' and shareholders' assets, we have a responsibility to take all financially material risks into consideration when we make investment decisions on our policyholders' and shareholders' behalf. We actively manage sustainability risks, including climate risk, through a range of activities, including decarbonising our in-scope Investment Portfolio.

Our responsible investment approach is built on five core strategies: exclusion, ESG integration, stewardship, investment allocation and market influence. These strategies are designed to align our investment practices with key sustainability priorities, including decarbonisation, human rights and biodiversity. For a detailed overview of our criteria and processes, please refer to our Group Responsible Investment Policy. For more information on our responsible investment activities and case studies, see our Sustainability Report.

The WACI of our in-scope Investment Portfolio is influenced by movements in the carbon intensity of the companies we invest in, movements in markets, availability of public carbon data for these companies, and changes to portfolio weights. We are aware that expanding data coverage could impact the WACI of our in-scope Investment Portfolio, either positively or negatively, as newly disclosed data is included in our calculations. Factors like inflation, increased emissions data, and changes in our assets may also cause WACI fluctuations. Therefore, we do not expect our decarbonisation progress to be linear, and do not rely solely on WACI as an indicator of our progress.

**Absolute financed emissions and WACI for our portfolio between 2019 – 2025**



\* No absolute financed emissions data on our portfolio was available for 2019  
 \*\* Data was not independently assured by external party in 2020

**Progress to date on in-scope Investment Portfolio intensity decarbonisation**

	WACI (tCO <sub>2</sub> e/\$m revenue)			Absolute Emissions (tCO <sub>2</sub> e)		
	Total WACI	Listed Equity	Corporate Bonds	Total Abs. emissions	Listed Equity	Corporate Bonds
Communication Services	38	39	37	65,327	29,923	35,404
Consumer Discretionary	47	37	61	119,798	58,163	61,635
Consumer Staples	95	83	107	164,539	71,245	93,294
Energy	574	567	576	1,210,712	263,913	946,799
Financials	13	6	16	52,256	10,245	42,012
Health Care	19	25	15	35,794	13,925	21,869
Industrials	190	102	268	529,863	179,372	350,491
Information Technology	63	67	42	152,366	139,277	13,089
Materials	994	1,436	645	1,464,761	827,741	637,020
Real Estate	67	72	65	18,461	6,781	11,680
Utilities	1,409	1,166	1,453	2,068,285	242,752	1,825,533
Missing GICS Sector	9	-	14	49,717	-	49,717
<b>TOTAL</b>	<b>181</b>	<b>129</b>	<b>236</b>	<b>5,931,879</b>	<b>1,843,336</b>	<b>4,088,543</b>

Since 2019, we have significantly reduced the carbon intensity of our in-scope Investment Portfolio, and are currently on track to achieve our 2030 WACI target. Our progress is the result of a combination of targeted management actions (such as exclusion targets, transition financing, decarbonisation targets in investment strategies, and engagement with investee companies) and broader market shifts driven by policy, infrastructure, and technology.

The global transition to net zero is progressing unevenly across countries and sectors, with emerging markets facing even greater hurdles due to higher fossil fuel dependence and limited access to transition finance. Despite some encouraging progress, the pace of

decarbonisation has so far been insufficient in limiting temperature increase to minimise the physical risks and impacts of climate change. Scientific assessments and leading authorities, including the United Nations and the Intergovernmental Panel on Climate Change, confirm that current commitments made by governments fall short of what is required to meet globally agreed net zero targets.<sup>1,2</sup> Under all projected climate scenarios, a large acceleration in decarbonisation is required to achieve global net zero by 2050.

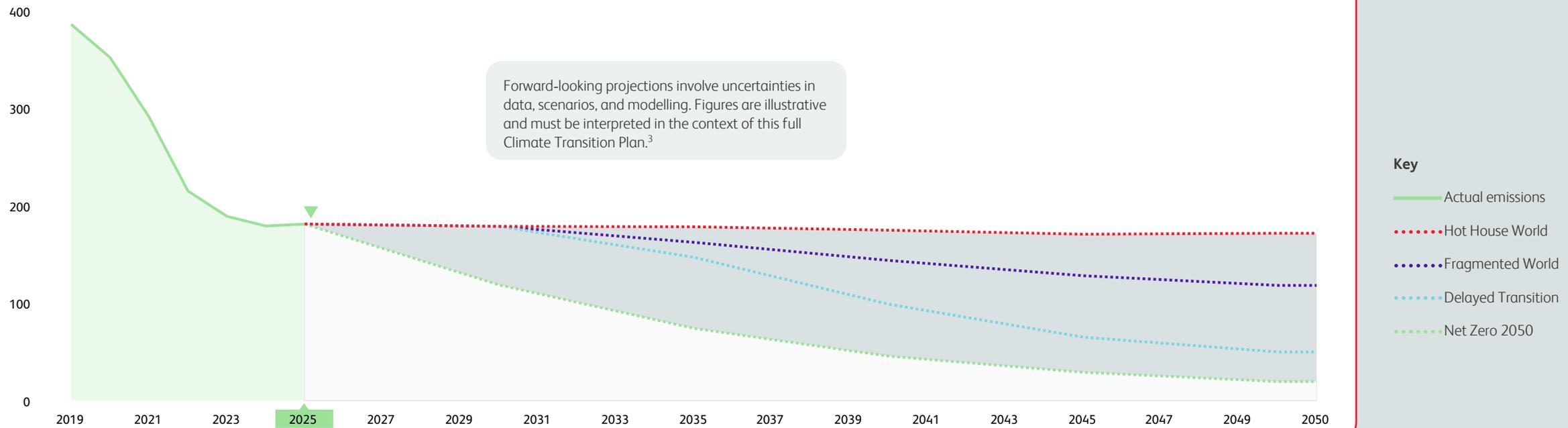
Our current internal modelling indicates that we will face challenges in achieving our own net zero targets if countries around the world fail to achieve this accelerated decarbonisation. We believe it is

important to highlight this challenge and the external dependencies to our transition (as set out in the **Key assumptions and external factors section**), as reaching net zero is not something Prudential can do alone: it requires action and input from many stakeholders, from public to private, across both emerging and developed markets.

Graph 1 shows our decarbonisation progress to date and illustrates potential projected decarbonisation trajectories of our in-scope Investment Portfolio, which are based on governments and society decarbonising in line with the Network for Greening Financial Services (NGFS) scenarios.<sup>3</sup> This illustration is designed to highlight

the impacts of the broader transition on our in-scope Investment Portfolio and deliberately does not include the impact of any management actions from Prudential to decarbonise our in-scope Investment Portfolio. Given our dependency on governments and society decarbonising, a pillar of our net zero transition strategy is to engage with key stakeholders, ranging from policymakers and regulators to industry and our investees, to develop an enabling environment for the transition and ensure that the assumptions which underpin our net zero commitments hold true. More details on our implementation of this strategy are set out in the Engaging with our stakeholders section of this transition plan.

**Graph 1: Actual and projected potential emissions intensity of the in-scope Investment Portfolio**



1 Intergovernmental Panel on Climate Change, Sixth Assessment Report  
 2 United Nations Environment Programme, Emissions Gap Report 2025

3 While we see benefits in the use of forward-looking analyses, climate transition pathways utilised in scenario analyses are inherently uncertain, and it is important to acknowledge the limitations. These limitations include but are not limited to data quality, data availability, data consistency, underestimation of physical climate risk, model limitations, greater uncertainties over longer time horizons, and extensive judgements and assumptions. As a result, we recognise the inherent limitations present in all climate reporting and treat forward-looking climate data with additional caution than we would for other metrics like historical financial statements.

### Financing the Transition

In 2024, we launched our Financing the Transition (FTT) Framework with the aim of mobilising capital into climate transition efforts, particularly in emerging economies. The Framework strengthens our ability to channel capital towards credible transition opportunities, facilitating practical solutions for emerging markets and supporting infrastructure enhancements and job creation, as well as fostering resilience. This approach aims to deliver sustainable returns for our policyholders and shareholders while driving emissions reductions across our in-scope Investment Portfolio in the long term and fostering inclusive economic progress in the markets in which we operate.

Although emerging markets must be part of the solution to meet global net zero goals, current standards often overlook the unique challenges and opportunities that these markets face. For example, annual investment in emerging markets needs to rise from \$770 billion in 2022 to between \$2.2 trillion and \$2.8 trillion by the early 2030s.<sup>1</sup> Yet clean energy investment in emerging markets (excluding China) currently represents only 15% of global totals.<sup>2</sup> Bridging this gap to transition energy supply will require significant mobilisation of both public and private capital to deliver on global climate goals and ensure a just and inclusive transition.

Our FTT Framework seeks to address the lack of standardised definitions for 'brown' (high carbon-intensive) to 'green' (low carbon-intensive) investments, and the need for flexibility for emerging markets to contribute towards global climate goals. The Framework applies our risk-return requirements, in line with our fiduciary duties, and our Responsible Investment Policy requirements. It defines the requirements that transition finance investments must meet to qualify as 'Financing the Transition', so as to count towards our FTT target. We evaluate whether asset managers' transition finance strategies are in line with our FTT Framework, as set shown in Figure 1, to ensure compliance and track progress over time.

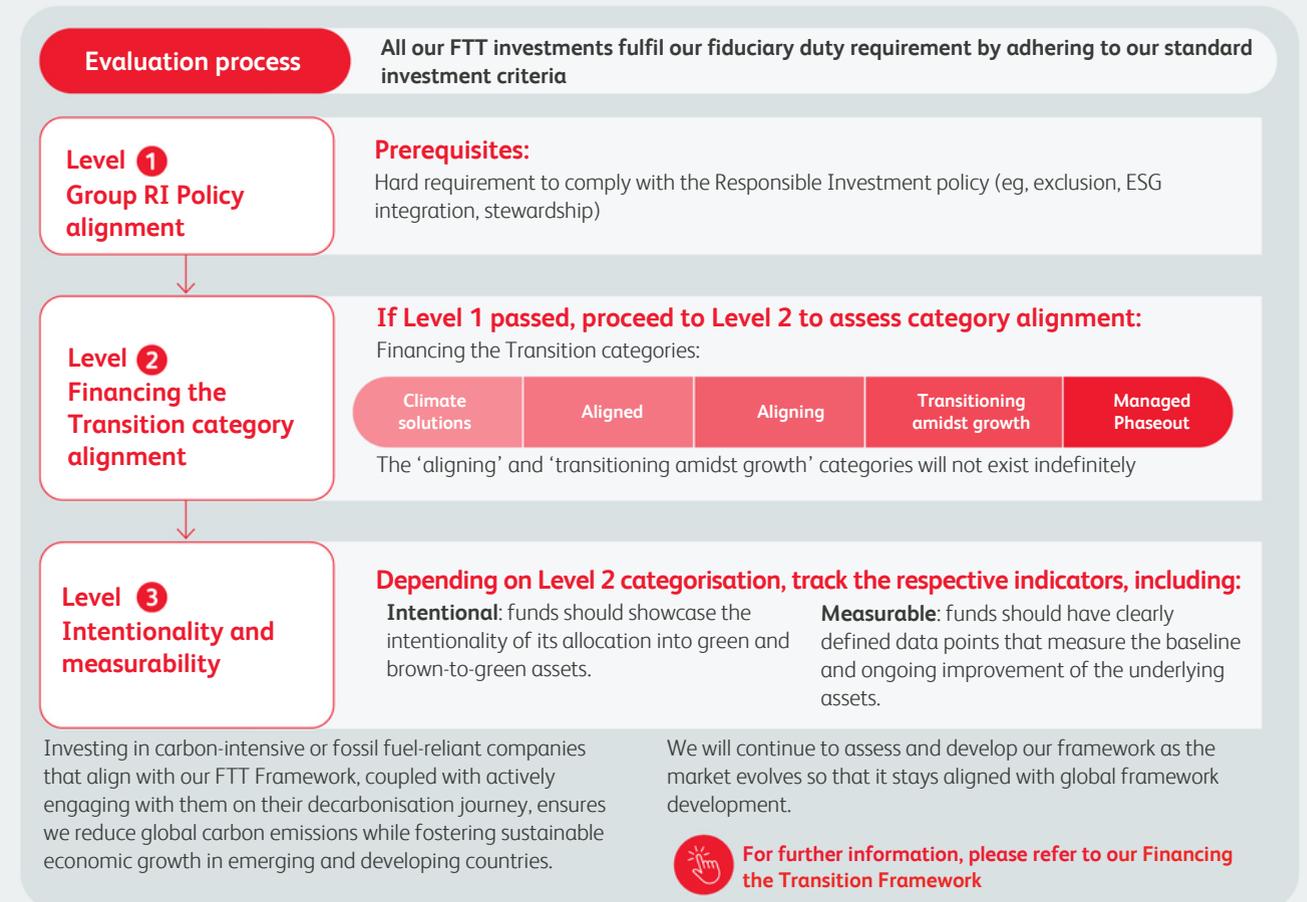
Since launching the FTT Framework, we have committed over \$1.5 billion of FTT investments. Some notable examples include:

- **Eastspring Transition Portfolio:** Recognising the need for a more inclusive approach to climate investing, Eastspring launched its Transition Strategy in October 2025, adopting a fundamental active equity investing approach. This approach aims to support systemic change by promoting climate adaptation and mitigation solutions across sectors while considering social aspects of a just transition. The portfolio has included investment in a diversified mining company, representing a sector essential for economic growth and the global energy transition, but frequently overlooked by traditional sustainable finance and 'green' taxonomies. These frameworks often leave out high-emitting industries where transition is more complex but equally critical. By integrating transition strategies into its core business and committing to net zero by 2050, the company has become a key holding within the portfolio, demonstrating that meaningful progress is possible even in challenging sectors.
- **EQT Energy Transition Fund:** Prudential has invested in the Transition Infrastructure Fund launched by EQT, which aims to accelerate the scale-up of emerging infrastructure solutions critical for the energy transition. Unlike traditional mandates, this strategy targets companies with proven technologies but lacking the capital to become fully established infrastructure. Investments will focus on high-growth sectors such as battery energy storage, distributed generation, microgrids, fleet electrification, and circular economy.
- **Brookfield Catalytic Transition Fund:** This fund is dedicated to deploying capital into clean energy and transition assets across emerging markets in South and Southeast Asia, the Middle East, Eastern Europe, and South and Central America. One of its key investments is an independent power producer that aims to spearhead decarbonisation across various markets in Southeast Asia. The Singapore-based producer is a developer, constructor, and operator of renewable energy projects in the Philippines and Thailand, to help accelerate decarbonisation by establishing a nearly 2 GW portfolio of wind, solar, and battery storage assets. Additionally, Brookfield signed a joint investment with a Malaysia-based renewable power developer to establish a new platform to develop, construct and operate up to 1.5 GW of utility-scale solar and battery energy storage systems (BESS) in Malaysia. The company has developed more than 2,800 projects to date, totalling over 2.3 GW of capacity across key Southeast Asian markets.

- **TPG Climate Rise II fund:** This private equity fund has a dedicated allocation to finance climate solutions in emerging and developing markets. To date, this has invested in the leading wind turbine manufacturer in India and Sri Lanka, and partnered with one of India's largest hyperscalers to finance the build out of scaled green data centres.

- **Blackstone Energy Transition Fund:** This fund targets investments in clean power generation, energy technology and services, energy efficiency, decarbonised transport, and natural resources. These themes are crucial to both address the growing shortage of energy, and support the global transition to more affordable, reliable, and cleaner energy. Notable investments include the development of high-voltage glass insulators to enhance grid reliability, and the acquisition of transmission lines to facilitate renewable integration.

Figure 1: Our FTT Framework and evaluation process.



1 International Energy Agency, Scaling up Private Finance for Clean Energy in Emerging and Developing Economies

2 International Energy Agency, World Energy Investment 2024

See Graph 2 for an overview of the investments made across our FTT categories to date. For the full detail of our FTT Framework and investment categorising and processes, please see Prudential's Financing the Transition Framework.

### What next

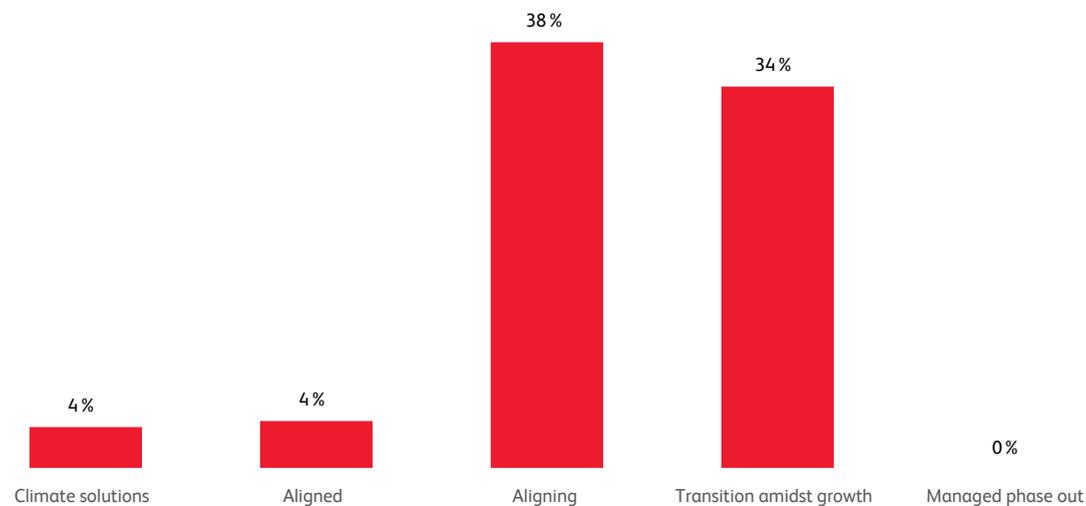
We will work on further evolving our internal monitoring framework to ensure our FTT investments demonstrate credible climate transition progress over time, with the aim of measuring the outcomes and impact of our target and progress.

We will continue to evolve our FTT Framework as the market evolves, to stay aligned with global framework developments. We are currently working on how to further integrate connected topics such as nature and adaptation into the framework through a pragmatic definition for climate and adaptation investment opportunities. Further information can be found in our thought leadership paper 'Defining nature and adaptation investment opportunities.'

### Mobilising external capital towards transition finance

Our FTT target commits our capital to critical transition financing projects, supporting the decarbonisation of assets within our in-scope Investment Portfolio in a manner consistent with our fiduciary duties. Additionally, we can exert positive influence on the industry and mobilise external capital towards transition finance, through investments and engagement, and by creating capital markets and conditions for investment. For example in 2023, Prudential was the anchor investor in Singapore's largest climate-focused equity ETF, the iShares MSCI Asia excluding Japan Climate Action Exchange-Traded Fund (ETF), with an investment of \$300 million. Our investment provided an opportunity for others to invest in transition finance, and in the two years since its launch, as at 2 January 2026, the ETF has \$1.7 billion assets under management, in companies across Asia Pacific that are committed to reducing emissions. Additionally, we use our FTT Framework to engage asset managers, policymakers and other stakeholders on the importance of transition finance and flexibility for emerging markets, to influence industry standards and practices.

Graph 2: Investments by assets under management across our FTT categories<sup>1</sup>



<sup>1</sup> The graph excludes investments in the relevant funds which are not aligned to the FTT categories. It also includes only listed investments due to the data lag for private markets.



### Effective stewardship as an asset owner

Decarbonising the real economy means reducing emissions across numerous public and private companies. By actively engaging with investee companies in a knowledgeable, constructive way we can encourage them to adopt more sustainable business models and reduce our exposure to climate-related risks, without jeopardising their financial performance.

We take a localised approach to engagement, ensuring requests are fair and applicable to suit the markets in which we operate. Whilst we determine our engagement strategy internally, we incorporate industry practice from global standards such as Climate Action 100+ (CA100+), the Institutional Investor Group on Climate Change (IIGCC), the Asia Investor Group on Climate Change (AIGCC) and the Net-Zero Asset Owner Alliance (NZAOA). We integrate the ‘common but differentiated responsibilities’ principle of the Paris Agreement<sup>1</sup> into our requests to allow flexibility for emerging market operators. In practice, this means the requests focus on the most material topics for that particular market. For example in Malaysia, our engagement strategy focuses on key sustainability topics such as climate change and biodiversity, in particular deforestation. We engage with companies to set and achieve net zero targets, and work closely with corporates to promote sustainable practices in sensitive industries like palm oil and timber, considering the unique challenges of their local context.

Our stewardship approach includes:

- **Corporate stewardship** which includes engagement and voting requirements, for which we have three main avenues:
  - Stewardship by Eastspring: the Sustainability Team at Eastspring conducts specific engagement on discrete themes, including decarbonisation and climate change. Historically, we have engaged with companies responsible for at least 65 per cent of the absolute emissions in our in-scope Investment Portfolio. From 2026, we have shifted our annual corporate engagement target to focus on the top 40 companies that contribute the most to the absolute emissions within our in-scope Investment Portfolio and are assessed to be falling behind on transition requirements, spanning both listed equity and corporate bonds – aiming to drive more meaningful progress towards the transition and concurrently reduce our exposure to transition risk. Eastspring also exercises our proxy voting policy, including voting on climate proposals by management and shareholder proposals on climate, considered on a case-by-case basis and

taking into account the ‘common but differentiated responsibilities’ principles of the Paris Agreement.

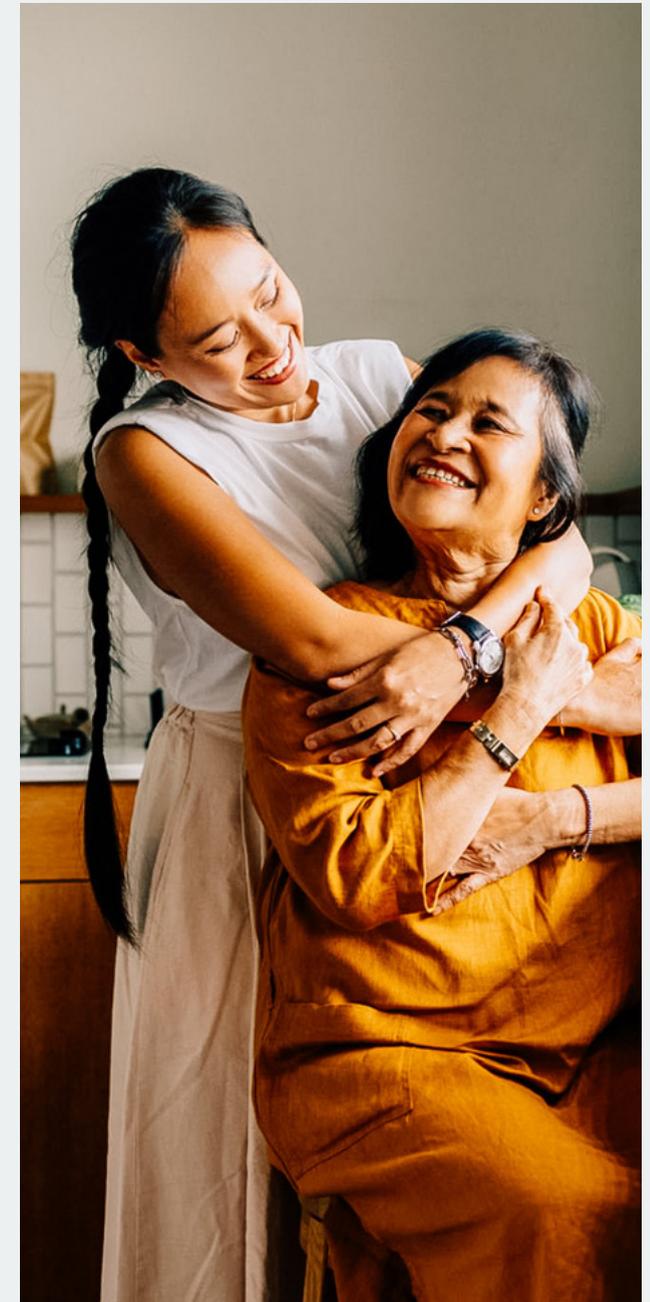
- External engagement provider: In 2025 we appointed an external engagement specialist to further strengthen the overall effectiveness of our engagement and to increase real-world impact. Recognising our influence is more limited in regions in which we do not operate, we utilise the large assets under management, operational footprint and expertise of our external engagement provider to drive change in these regions.
- Other external asset managers are also required to engage and vote on the assets they manage for Prudential, in alignment with our Group Responsible Investment policy. This includes key engagement asks on climate change and executing our voting policy.
- **Asset manager engagement:** We engage with our asset managers on sustainability expectations for responsible investment, most importantly our FTT Framework and decarbonisation expectations. For asset managers less familiar with particular sustainability themes, we organise working sessions to provide further guidance to ensure effective integration. Although we determine our engagement practices internally, we also actively participate in collaborative asset manager engagements through the engagement track of the NZAOA, which engages asset managers on their voting practices, their climate policy engagement, and expectations on their corporate engagement practices.
- **Policy and regulatory engagement:** In each of our markets and also internationally, Prudential proactively engages and maintains strategic and working relationships with policy stakeholders to facilitate multilateral cooperation and coordination of policies and standards across jurisdictions. We believe in the critical role that government and its key institutions – ministries, central banks and regulators – play in developing a jurisdiction-specific position on and plan for net zero. These are crucial in creating realistic pathways towards the transition and managing climate risk. Policy engagement is therefore key to our transition approach. Our FTT Framework is leveraged for this engagement to emphasise the importance of local transition trajectories and an enabling environment for transition finance. The **Engaging with our stakeholders** section describes our overall engagement approach in more detail.

### What next

Stewardship is a long-term strategy, requiring ongoing engagements and effort over a period of time. We will continue to refine our approach and improve how we measure outcomes, while acknowledging the challenges of attributing change to individual engagement actions. Going forward, we will deepen corporate engagement in partnership with our asset managers, and strengthen policy and asset manager engagement to address systemic sustainability challenges. Achieving meaningful progress demands collective action, and we remain focused on working with key stakeholders across markets to drive the transition.



For more information on our approach to stewardship, see our **Stewardship white paper** and our **Sustainability Report**.



<sup>1</sup> The ‘common but differentiated responsibilities’ principle of the Paris Agreement acknowledges that whilst all countries have a duty to take climate action, the types of action they take will differ based on historical contribution, economic capacity and national circumstances.

# Operations

For our operations, which are under our direct control, we implement targeted actions, such as undertaking energy audits, enhancing energy efficiency and transitioning to renewable energy sources, that strengthen our operational resilience whilst delivering reductions in our greenhouse gas emissions in a cost-efficient manner.

Prudential targets to become carbon neutral across Scope 1 and 2 (market-based) emissions by the end of 2030. We have reduced our Scope 1 and 2 emissions intensity by 83% from our 2016 baseline, achieving a ratio of 0.38 tCO<sub>2</sub>e/FTE in 2025, keeping us ahead of the trajectory to meet our 2030 target of 1.65 tCO<sub>2</sub>e/FTE. We have also decreased our total Scope 1 and 2 (market-based) emissions by 82% by the end of 2025 against our 2016 baseline, supporting our 2030 carbon neutral target.

## Key actions

### Implementing our Environmental Toolkit

We have developed our internal Environmental Toolkit, which is a structured approach to managing and improving our operations'

environmental performance across our locations. It aims to achieve cost savings, ensure regulatory compliance, proactively manage risks, engage employees, and support the long-term sustainability of our business.

Our Environmental Toolkit serves as a structured and strategic foundation for scaling operational decarbonisation efforts across our Asia and Africa businesses in a consistent, cost-efficient and systematic manner. The framework includes targeted actions such as:

- Climate risk assessments: We periodically undertake climate risk assessments of our property portfolio to assess the materiality for Prudential's operations.
- Energy assessments: Between 2016 and 2022, we completed 30 energy assessments across prioritised in-country head office and agency operations, informing our understanding of how we use electricity in different types of buildings.
- Energy reduction roadmaps: We have developed energy reduction roadmaps for each of our businesses. The roadmaps outline the specific planned actions and anticipated operational investments associated with reaching carbon neutrality for Scope 1 and 2 emissions.
- Renewable energy scanning: We continually scan the local markets for appropriate renewable energy schemes and

encourage our businesses to actively participate in programmes where available. We have achieved notable reductions in Scope 2 market-based emissions through the deployment of renewable energy programmes. As of the end of 2025, renewable energy contracts cover 66 per cent of global energy use.

- Data collection: We have improved our data collection process, which enables better understanding of historical emissions trends and identifies opportunities for improvement.
- Engagement with stakeholders: We engage with our utility providers, landlords and property owners to explore collaborative opportunities for emissions reductions, and with governments on implementing green energy infrastructure and continuous introduction of renewable energy into national grids.

### What next

We plan to continue providing support to implement the transition actions for our operations, considering local conditions whilst encouraging long-term planning and actionable strategies for reducing Scope 1 and Scope 2 emissions.

- Scope 1 emissions mainly come from our vehicle fleet and office generators. Where possible, we plan to transition to green vehicles over the medium term. The pace of adoption depends on the maturity of charging infrastructure and supportive regulatory incentives. Though governments have announced

ambitious green vehicle policies and targets, timeline uncertainty remains due to deployment lag.

- For Scope 2, we will continue to implement energy conservation measures across our property portfolio to reduce consumption and improve efficiency, while actively assessing renewable energy availability and expanding sustainable energy initiatives, where feasible and cost-effective.

While our transition roadmap forecasts continued reductions in Scope 1 and Scope 2 emissions, our current assessment is that prevailing market conditions are unlikely to enable our achievement of carbon neutrality by 2030. Based on this assessment, we anticipate the need to procure carbon offsets from 2030 to address residual emissions, to attain carbon neutrality.

We continually assess our operational emissions trajectory and anticipated actions, in response to the evolving conditions within the diverse set of markets in which we operate. We will continue to report on progress in a transparent manner and update our roadmap periodically.

### On-site solar reduces emissions, boosts operational stability and cuts costs in Zambia

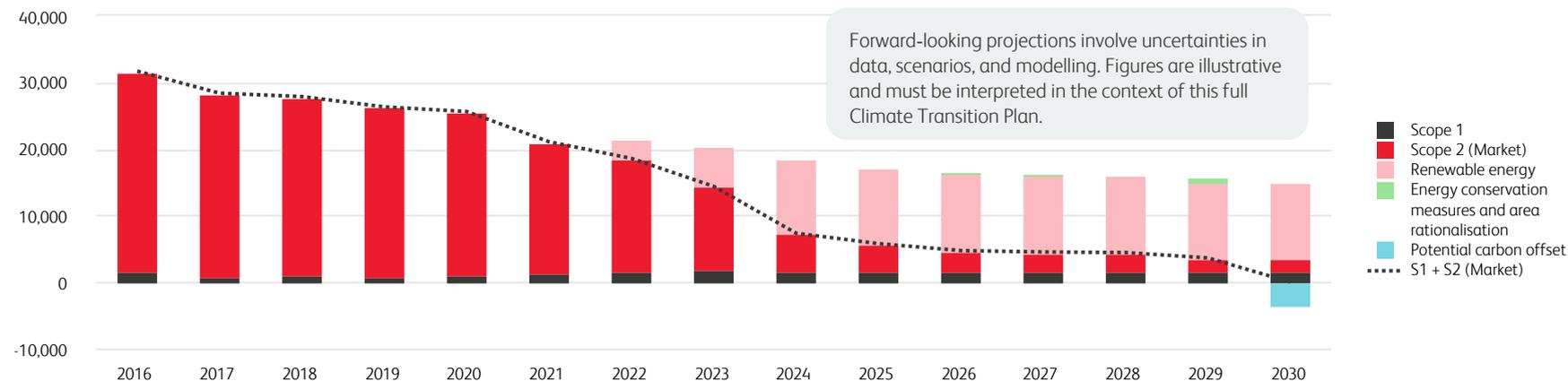
A severe drought in Zambia reduced hydroelectric output and caused grid instability, forcing our offices to rely on costly diesel generators to stay operational.

We installed onsite solar systems to reduce generator use. This delivered three key benefits:

- Lower fuel costs;
- Improved business continuity during outages; and
- Controlled emissions growth, supporting sustainability goals.

This initiative shows how targeted investments can strengthen resilience and reduce costs. Alongside solar, we continue energy audits and renewable energy contracts to manage risk and influence policy for cleaner grids.

Graph 3: Reduction in operations carbon emissions to date, and projected roadmap



### Considering our supply chain

Sustainable procurement helps strengthen relationships with our suppliers whilst supporting sustainable, local economic development. It also minimises regulatory risks and supply chain disruptions. This enhances long-term efficiency and resilience, delivering both financial and environmental benefits.

Our Group Code of Conduct outlines the values and standards that are required by all of our people, including those within our value chain such as sales agents and our suppliers. Our Group Third Party Supply and Outsourcing (GTPSO) Policy is core to our supply chain governance and our responsible supplier guidelines cover a range of sustainability topics. All suppliers onboarded on our third-party management system have to acknowledge and adhere to

Prudential's Supplier Code of Conduct. It also sets out our position on supply chain management, approach to due diligence, and ongoing monitoring of our supplier relationships, amongst other aspects.

We are developing our procurement strategy that looks to pursue sustainability opportunities. We have identified our material upstream supply chain categories and are looking to address the impact of our procurement practices, including those related to our Scope 3 footprint and other climate-related topics. As part of this process, we are continuing our understanding of sustainability practices in our suppliers, and we will continue to work on defining the best approach to build our sustainable supply chain.

### Working with our suppliers

During 2024, Prudential Singapore collaborated with the Global Compact Network Singapore to deliver sustainability training for our small and medium-sized enterprise (SME) suppliers and partners, equipping them with information on the fundamentals of sustainability and its importance to business, as well as sharing practical insights on how to integrate sustainability into business. We had 59 participants, representing 39 SMEs, with 88% indicating they felt more confident in the actions their organisation could take to progress in their sustainability journey.

Building on this, Prudential expanded its focus on sustainable procurement and supplier engagement in 2025. A workshop in Vietnam introduced the Prudential Responsible Supplier Guideline and our sustainability vision to suppliers identified as 'material', 'outsourcing', or 'high-risk ESG'. To further integrate sustainability, Prudential has formally embedded environmental and social criteria into supplier evaluation scorecards for relevant sourcing events, ensuring these factors are considered in procurement decisions and supporting a holistic approach to risk management and value creation.



### Embedding sustainability across our people

Activating, engaging, and upskilling our people is critical to embedding sustainability into our culture and achieving our sustainability and climate goals. In a 2025 survey, 83% of our employees said they were proud of our commitment towards sustainability, and 92% agree our sustainability commitments are key to long-term business growth and resilience. By linking sustainability to employee goals and providing training and engagement opportunities, we not only help build the capabilities needed for the net zero transition but also strengthen our collective purpose, collaboration and innovation across the business.

### What are we doing

With over 15,000 employees across business units operating in diverse markets, we have taken a multi-prong approach to integrating sustainability and climate into our business, including establishing sustainability goals, sustainability-related training, and evolving the operating approach to further embed sustainability into our functions and business units.

In 2025, we fully met our target of people managers (in our Group and life businesses) setting sustainability-linked goals. In 2026, we continue to include sustainability as part of the life business's annual performance construct, and are expanding the sustainability-linked goals to people managers within Eastspring Investments. Previously, specific people managers in Eastspring have sustainability goals linked to the nature of their role and/or business priorities. For years beyond 2026, we will continue to align to Prudential's HR performance management guidelines in the annual goal setting and remuneration review processes.

### Sustainability training

In 2024, we launched a Sustainability 101 training module, available via our centralised platform PruAcademy. Available to all staff, this introduced core sustainability topics including the net zero transition, our strategy, and incorporated real-world examples to connect sustainability to everyday business decisions. This has become one of the highest-rated programmes on our internal learning platform. Since then, we have continued to evolve our training to upskill our people, including a module in 2025 on our Financing the Transition Framework. In addition to our employee training modules, we have focused on enhancing the sustainability and climate-related knowledge and engagement of our local boards across Asia and Africa, to support them in understanding how we aim to manage our climate-related risks whilst pursuing opportunities.

### Sustainability operating model

We have implemented our sustainability operating model to further embed sustainability and climate considerations across our business and facilitate sustainability at scale across our regions. Recognising that our businesses operate across a diverse range of markets with varying regulatory requirements and sustainability maturity, this model provides clear guidance and actionable steps, covering governance, disclosure and data, and strategic initiatives. This is supported by tools and training to ensure effective local implementation of our sustainability and climate strategy, in line with sustainability maturity and strategic capabilities.

# Insurance

Our life and health insurance business covers 17 million customers across our markets. It is our mission to be the most trusted partner and protector for this generation and generations to come, by providing simple and accessible financial and health solutions. Our 2025 sustainability materiality assessment identified health risks from a changing climate as a new material topic. By prioritising patient-centric design to create healthcare experiences that are simple, accessible, and affordable, we aim to give peace of mind to every patient in Asia and Africa and deliver positive health outcomes.

Although our insurance product plans are not directly linked to our decarbonisation trajectory, climate change is intensifying health and economic risks in emerging markets, where insurance coverage is often limited and healthcare costs are rising. For insurers like us, this creates both a challenge and an opportunity: addressing growing climate-related exposure while expanding access to financial protection to vulnerable people. Strengthening our understanding of viable insurance solutions in these areas will be needed to be able to implement solutions that can support adaptation to climate change impacts, socio-economic resilience and long-term market sustainability.

## Key actions

### Embedding climate and health resilience

Across our markets, millions remain without financial protection due to availability, affordability and accessibility barriers. In emerging Asian markets, the combined mortality and health protection gap is estimated to have reached around \$390 billion in premium equivalent terms as of 2024.<sup>1</sup> These risks are compounded by climate-related factors, such as increased exposure to climate shocks such as severe weather events, rising healthcare costs including those related to climate (eg, malaria, dengue and heat-related illnesses), and food and water insecurity driven by changing climate patterns which cause and increase the intensity of wildfire, droughts and floods.

To build customer and community resilience to these risks while driving growth, we are working to develop simplified, accessible and affordable financial and health solutions that cater to wider

population segments, tailored to local needs. We do so through our insurance products, research and partnerships, use of technology, and community investment.

### Products

In 2024, we developed our Group-wide Inclusive Insurance Framework, to guide and support our local businesses' efforts to increase insurance penetration. Under this framework, local businesses are seeking to develop innovative insurance solutions to help customers safeguard their financial wellbeing. Building the resilience of our customers and communities is critical to ensuring they are adequately prepared for potential climate-related impacts from increased physical risks and impacts from transitioning towards low-carbon economies. During 2025, we continued to enhance the integration and adoption of our Inclusive Insurance Framework at the local business unit level, to broaden understanding on the range of solutions that can address the protection needs of a broader customer segment.

### Research and partnerships

We invest in research and collaboration opportunities to better understand how climate change is affecting health across our markets. For example our philanthropic arm, the Prudence Foundation, has supported a study by the International Federation of Red Cross and Red Crescent Societies (IFRC) through its specialist Climate Centre to explore the compound impact of air pollution, extreme heat and humidity on population health. We have also established a research partnership with the Earth Observatory of Singapore to understand the effects of climate change on air quality and its subsequent health impacts across 10 regions in Asia and Africa. Through initiatives such as these, we aim to strengthen systematic resilience while refining our approach to risk forecasting and protection solutions.

### Expanding access to climate-resilient health protection in Vietnam

In Vietnam, rising temperatures and increased rainfall due to climate change are intensifying the spread of tropical diseases which negatively impact the health and livelihoods of our current and potential customers and communities. In response, we launched PRU-Tropical, an affordable insurance product covering vector-borne illnesses such as dengue and malaria. PRU-Tropical helps reduce the financial impact of illness, especially for low- and middle-income individuals. Grounded in local insights, it reflects our commitment to inclusive, climate-aware health protection.



### Community investment

Our philanthropic community investment arm, the Prudence Foundation, aims to enhance resilience at the community level focusing on two key impact areas: financial literacy and inclusion, and climate and health resilience. The Prudence Foundation supports community resilience through tailored local initiatives that provide awareness building, early warning systems, financial literacy, financial safety nets and long-term adaptation support for those most exposed to climate risks.

Through the Prudence Foundation, we partnered with Climate Resilience for All and the Self-Employed Women's Association (SEWA) to expand the Women's Climate Shocks and Livelihood Initiative in India, illustrating our commitment to building resilient communities. This programme uses parametric insurance to deliver income support during extreme heat events, which are becoming increasingly frequent and severe. In 2025, coverage grew significantly – from 50,000 to 225,000 women – demonstrating how financial tools can strengthen the ability of low-income segments to withstand the health and economic shocks of a warming planet.

In 2024, the Prudence Foundation launched the Climate and Health Resilience Fund (CHRF), to support local initiatives led by our businesses across our markets in Asia and Africa. These projects are designed to support local initiatives that address climate and health challenges faced by vulnerable communities. Catered to address local context and needs, this fund backs a variety of initiatives,

including research and studies on the impact of rising sea levels on communities, interventions to mitigate the health risks posed by climate change to vulnerable populations, and efforts to strengthen healthcare systems to better equip healthcare workers for responding to climate crises, initiatives which have positively impacted 280,000 lives.

Also, the Prudence Foundation's Disaster Relief Fund annually provides emergency support to markets where Prudential operates for life-saving purposes in the immediate aftermath of major disasters triggered by a natural hazard. It provides quick disbursing grants to assist non-governmental organisations (NGOs) and humanitarian organisations to deliver immediate essentials (such as food, water and sanitation, shelter, medical supplies etc) to affected populations following a disaster, and to augment aid provided by other donors in times of crisis.

### What next

As part of our inclusive insurance initiative, we are exploring products that can cover climate-related illnesses, and seeking to continue supporting our businesses under our framework to develop and launch such innovative products.

The Prudence Foundation aims to expand its Climate and Health Community Resilience programmes to more countries in Southeast Asia. The programme integrates risk assessment, risk reduction and risk transfer strategies to ensure meaningful and sustainable impacts for the communities we support.

<sup>1</sup> Swiss Re Institute, Asia Life & Health Consumer Survey 2025

# Nature and adaptation

Nature – including biodiversity, ecosystems and the services they provide, as well as the broader biosphere in which all life exists – plays a key role in the world economy, with half of the world’s GDP being moderately or highly dependent on nature.<sup>1</sup>

Nature and climate change interact with each other as follows:

- Climate change is a major driver of compounding nature and biodiversity loss. More frequent and severe climate events accelerate the degradation of critical ecosystems, undermining nature’s ability to support food, health, and economic livelihoods, as well as reducing nature’s ability to mitigate climate change.
- Nature plays a crucial dual role in both climate change mitigation and adaptation domains: healthy ecosystems (like forests, wetlands, and oceans) act as carbon sinks, aid mitigation, and buffer communities against climate shocks, and supports adaptation (such as by preventing coastal erosion or the overflowing of rivers).

Protecting and restoring nature, and strengthening our focus on the increasingly important role of climate adaptation, strengthens the resilience of both human and ecological systems, which is critical in supporting financial flows to the transition towards net zero. Given the interactions above, we are embarking on integrating nature into our business strategy.

## Investment risks

During 2025, we conducted an exercise across our in-scope Investment Portfolio to better understand our exposure to nature-related risks. This analysis evaluated four key dimensions: (1) the degree to which investees depend on nature and ecosystem services; (2) the extent of their impacts on nature, either directly or indirectly; (3) the risks arising from these dependencies and impacts, including operational disruptions, asset damage, and input volatility; and (4) potential opportunities for businesses to benefit from nature-positive strategies.

The analysis highlighted that our main exposure to nature-related risk lies in sectors with high reliance on water resources, climate regulation and flood protection, as well as those more likely to contribute towards land-use change and resource exploitation. Graph 4 sets out our assessment of our direct exposure to nature-related impacts and dependencies within our in-scope Investment Portfolio. Dependencies refer to businesses that are dependent on nature, for which the top themes include water (surface, ground, and water flow maintenance), climate regulation, and flood and storm protection. Impacts refer to businesses that cause or contribute towards impacts on nature, for which the top themes include land- and sea-use change, resource exploitation, climate change, and invasive species and disturbances.

The outcomes of the exercise will be used to further inform our engagement strategy to manage these risks to our investments, focusing particularly on the material themes identified and how they relate to our emerging markets.

## Investment opportunities

As part of our Financing the Transition Framework, we seek to invest in nature and adaptation solutions consistent with our fiduciary duties, but this is hampered by a lack of a market-standardised definition for these investment opportunities. Additionally, emerging markets face greater vulnerability, larger finance gaps and bigger obstacles to monetising their natural resources without causing negative environmental impacts. Through our FTT Framework, we aim to articulate a pragmatic definition for climate and adaptation investment opportunities, engage stakeholders on the importance of a practical definition for such opportunities, and ultimately increase the available investment universe. Further information can be found in our paper *Defining nature and adaptation investment opportunities*.

## Operations

We expect our operations to represent a small proportion of our overall dependency and impact on nature compared to our investments, based on our carbon emissions profile. Our operations’ nature dependency and impact originate from areas under our direct control, which enables us to implement targeted actions – potentially using nature-based solutions – that could deliver positive environmental impacts around water, waste, heat and pollution.

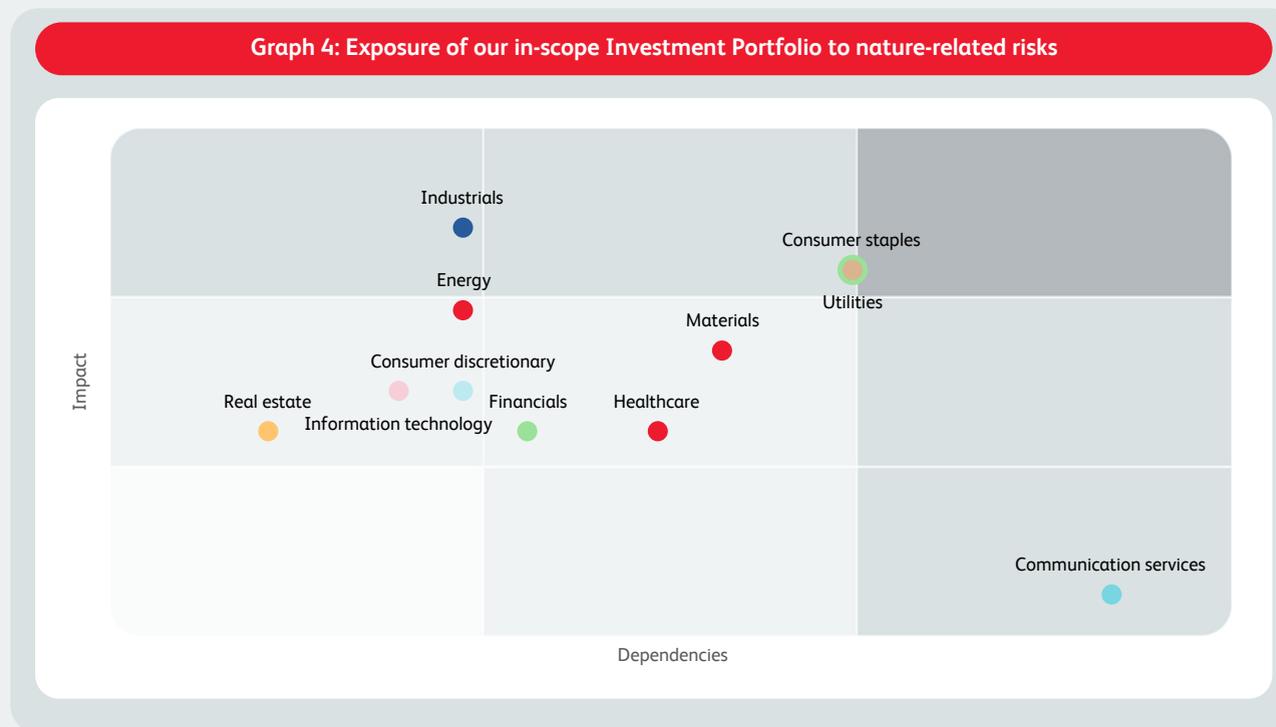
We will consider how to support our employees to integrate nature into our business, whether through their sustainability goals, training, or other approaches. We will also explore how we can incorporate nature into our procurement strategy, including through supplier questionnaires.

## Products

Noting the link between healthy populations and a functioning natural ecosystem nature, we look to understand our exposure to risks relating to loss of nature and biodiversity. Such insights would require research and partnerships, community investment and leveraging technology.

## What next

We are in the early stages of developing a comprehensive approach for integrating nature and adaptation, focusing on our key dependencies and impacts across our investments, operations and products. For more information on our engagement approach relating to our in-scope Investment Portfolio, see the Stewardship as an asset owner section of our Sustainability Report.



<sup>1</sup> World Economic Forum, Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy

# Engaging with our stakeholders

We recognise that the long-term success of our business is intrinsically linked to the resilience and wellbeing of the communities we serve, making it both a strategic and responsible imperative to support a thriving, sustainable future.

A successful transition to net zero cannot be achieved in isolation: it requires collaboration and collective effort, from within our own business and value chain (including our own investee companies),

to the wider global ecosystem of financial service actors, wider industry and policymakers. We continue to engage with international organisations, multilateral development organisations, public-private partnerships, governments, regulators and other stakeholders, to advocate for the necessary conditions to achieve a just and inclusive transition. Leveraging our unique position of being deeply embedded in both developed and developing economies, we advocate for a just and inclusive transition to net zero, facilitating capacity building, demonstrating knowledge sharing and best practice, and consistent regulatory frameworks that consider the

specific circumstances of the diverse nature of emerging market and developing economies.

The following table summarises our key stakeholder groups and climate-related engagement purposes. For more information on our stakeholders, how we engage, and examples of engagement across the year, see our [Sustainability Report](#). Information on how we engage our asset managers and portfolio companies is covered within the [Investment](#) section of the [Implementation Strategy](#) in this transition plan.

Stakeholder group	Engagement purposes	Mode of engagement
<b>Peers and industry groups</b>	Engage on sectoral standards, share best practices, and advocate for enabling policies that support decarbonisation across the industry, in particular related to transition finance and responsible investment practices, and provide a voice for emerging markets in the climate transition.	<ul style="list-style-type: none"> <li>– NZAOA</li> <li>– Just Energy Transition Partnership</li> <li>– Institute for International Finance (IIF)</li> <li>– AIGCC</li> <li>– PRI Spring initiative</li> <li>– Hong Kong Green Finance Association (HKGFA)</li> <li>– The Hong Kong Federation of Insurers (HKFI)</li> <li>– Hong Kong Institute of Certified Public Accountants (HKICPA)</li> </ul>
<b>Government and regulators</b>	Understand and support national and international climate policies, support the creation of enabling environments for transition, and contribute to policy dialogues that promote just and inclusive climate action. Prudential also engages to ensure that regulatory frameworks reflect emerging market realities.	<ul style="list-style-type: none"> <li>– Roundtables</li> <li>– Consultations</li> <li>– Regular meetings (direct and indirect)</li> <li>– Public events</li> <li>– Regulatory colleges</li> </ul>
<b>Investors</b>	Communicate sustainability and climate data and strategy information, share knowledge on climate initiatives such as Financing the Transition, and demonstrate transparency and accountability for alignment of sustainability and long-term value creation.	<ul style="list-style-type: none"> <li>– Regular meetings</li> <li>– Investor conferences</li> <li>– Reporting and disclosure</li> </ul>
<b>Public-private partnerships</b>	Bring together public-private collaboration to deal with sustainability and/or transition issues.	<ul style="list-style-type: none"> <li>– Regular meetings (direct and indirect)</li> </ul>
<b>Employees</b>	Embed sustainability into roles and culture, build climate-related capabilities, and align performance incentives with sustainability goals.	<ul style="list-style-type: none"> <li>– Employee sustainability engagements, including dedicated changemaker sessions</li> <li>– Sustainability training</li> <li>– Employee engagement surveys</li> </ul>
<b>Customers</b>	Raise awareness around the interrelationship between climate and health, and expand access to inclusive, low-cost insurance and financial protection solutions that address climate-related risks.	<ul style="list-style-type: none"> <li>– Customer survey</li> <li>– Focus groups</li> <li>– Contact centres</li> </ul>
<b>Suppliers and third-party providers</b>	Promote sustainable practices across our supply chain, encouraging suppliers to act in line with Prudential's sustainability standards, and obtain better-quality data about suppliers' practices.	<ul style="list-style-type: none"> <li>– Supplier information requests, due diligence, and questionnaires</li> </ul>
<b>Agency distributors</b>	Equip distributors with tools and training that support effective customer engagement, and ensure that distribution channels reflect Prudential's sustainability values.	<ul style="list-style-type: none"> <li>– Agency distributor survey</li> <li>– Agency training sessions</li> </ul>

# Governance

## Board oversight

The Board recognises the role of sustainability in creating value for our shareholders and other stakeholders. It bears the ultimate responsibility for overseeing sustainability matters of strategic importance, including climate-related risks and opportunities and other environmental impacts, responsible investment, social sustainability and workforce engagement. Previously, the Board ensured dedicated oversight of sustainability and climate-related topics through the Board-level Responsibility and Sustainability Working Group (RSWG). In 2024, the Responsibility and Sustainability Working Group was elevated into the Board-level Sustainability Committee.

The Sustainability Committee provides leadership and direction on our sustainability strategy and its implementation. It oversees the Group's sustainability-related goals and monitors our progress against them, reviews our sustainability reporting, and manages the organisational culture, employee wellbeing and engagement as well as our corporate social responsibility programmes. It works closely with the Risk Committee on oversight of environmental and climate-related issues, and collaborates with other principal committees of the Board as needed. During 2025, the Sustainability Committee met four times to discuss key developments in our sustainability strategy, including progress against our targets, and reviewed sustainability-related risks and opportunities as well as sustainability and climate-related disclosures.

To maintain the knowledge and engagement on climate and sustainability-related issues of our Board members, training is provided on key sustainability topics.

## Management oversight

At the management level, the Group Executive Sustainability Committee (GESC) oversees sustainability and climate-related activities. The Chief Financial Officer chairs the Committee, which met six times in 2025. Membership of the Committee includes the Chief Risk and Compliance Officer, Chief Investment Officer, Chief Corporate Affairs Officer, Chief Human Resources Officer, Strategic Business Group CEO, and leadership from Eastspring Investments.

The Group Investment Committee (GIC) is designated responsibility to oversee Prudential's responsible investment activities, including

the approval of the relevant Group Responsible Investment policy. The Group Sustainable Finance Council (GSFC) is a subcommittee of the GIC responsible for ensuring transparency in Sustainable Finance definitions, with delegated authority to approve the classification of Responsible Investment funds, qualification of Financing the Transition (FTT) investments, and exemption requests for our exclusion policy. It also operates as a technical review panel for Prudential to keep pace with industry standards

More information on our sustainability-related governance and risk management can be found in our Sustainability Report. Full terms of reference for the Sustainability Committee are available on the Company website at [www.prudentialplc.com](http://www.prudentialplc.com).

## Incentives and remuneration

Sustainability-related metrics continued to account for 10 per cent of the total Executive Director's Prudential Long Term Incentive Plan (PLTIP) award in 2025, demonstrating our commitment to integrate sustainability across the organisation, and to ensure accountability for delivery.

The allocation in 2025 was equally split between two metrics – 5 per cent allocated to maintaining diversity within the Group Leadership Team (GLT), and another 5 per cent to decarbonising our in-scope Investment Portfolio. Both the FTT and WACI targets are important when assessing our decarbonisation activities. FTT and WACI are intrinsically linked, with FTT expected to drive medium- to long-term reductions in financed emissions, whilst portfolio decarbonisation continues to be tracked through WACI. However, as a metric that is influenced by market, data and portfolio composition effects, WACI is complemented by a stronger emphasis on FTT as the primary forward-looking target.

For further details, refer to the Directors' remuneration report within Prudential's Annual Reports and Accounts.



# Targets and metrics

## Climate-related metrics:

We continually review the climate metrics we use, to assess their suitability for our markets, considering factors like practicality of implementation, data availability and coverage.

To measure our exposure to climate-related risks, we use a combination of absolute emissions data and emissions intensity data. Absolute emissions allow us to quantify the overall carbon footprint of investments within our portfolio, while WACI data allows us to compare carbon footprints relative to the revenue generated by investments.

Measuring WACI enables us to compare emissions of investee companies on an equal basis as it corrects for size. It also allows us to assess improvements over time. WACI is useful as a proxy for transition risk within our in-scope Investment Portfolio, with a higher WACI within a sector usually indicating a gap in alignment with the goals of the Paris Agreement. We, however, do not set or derive sectoral decarbonisation targets and our overall targets were not set based on the sectors we invest in.

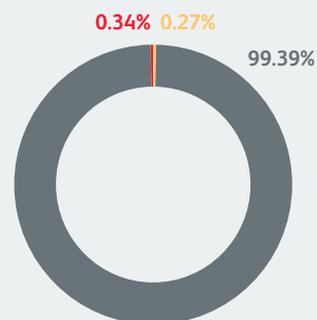
To assess our operational emissions, we measure the reduction in emissions intensity per full-time equivalent.

For our Scope 3 metrics, our disclosure is anchored in a materiality assessment where Category 15: Financed Emissions contribute more than 97 per cent of our total carbon emissions. We continue to disclose several operational metrics that have been complementary to Scope 1 and 2 monitoring (Category 3: Fuel and energy-related activities, Category 5: Waste generated in operations and Category 6: Business Travel) and are committed to expanding coverage in line with our sustainability strategy, striking a balance between the growing effort required to strengthen data quality and coverage of the carbon emissions within our value chain and the value of the information for our stakeholders. We will update the progress and our roadmap annually.



**Further information on how the carbon footprint of our in-scope Investment Portfolio is calculated in line with industry best practice and standards is provided in the Carbon footprint section in the Basis of Reporting.**

## Carbon emissions profile as at 31 December 2022



- Scope 1 and 2
- Scope 3 – only including emissions associated with fuel- and energy-related activities, waste generated in operations and business travel, excluding Category 15
- Scope 3 Category 15 – only including emissions associated with investments

## Carbon emissions profile as at 31 December 2025

Scope 1 and 2	<b>5,773</b>
Scope 3 – only including emissions associated with fuel- and energy-related activities, waste generated in operations and business travel, excluding Category 15	<b>15,531</b>
Scope 3 Category 15 – only including emissions associated with investments*	<b>5,931,879</b>



**For more information, please see the Responsible investment section in our Sustainability report.**

Movement in metrics	2025	2024
<b>Target-related metrics</b>		
WACI (weighted average of tCO <sub>2</sub> e/\$mil revenue)	<b>181*</b>	<b>179*</b>
Coverage for the WACI of the in-scope Investment Portfolio	<b>81 %</b>	<b>80 %</b>
Engagement with the companies responsible for 65 % of the absolute emissions in our in-scope Investment Portfolio	<b>Reviewed 100% Engaged 100%</b>	<b>Reviewed 100% Engaged 100%</b>
Operational emissions intensity (tCO <sub>2</sub> e/FTE)	<b>0.38*</b>	0.48
<b>Our own operations</b>		
Scope 1 (tCO <sub>2</sub> e)	<b>1,731*</b>	1,562
Scope 2 – market-based (tCO <sub>2</sub> e)	<b>4,042*</b>	5,773
Scope 2 – location-based (tCO <sub>2</sub> e)	<b>15,490*</b>	16,967
Scope 3 (upstream activities) <sup>†</sup> (tCO <sub>2</sub> e)	<b>15,531</b>	17,295
Category 1: Purchased Goods and Services <sup>^</sup>	<b>31</b>	<b>34</b>
Category 3: Energy	<b>4,614</b>	<b>4,147</b>
Category 5: Waste	<b>157</b>	<b>154</b>
Category 6: Business travel	<b>10,729</b>	<b>12,959</b>
<b>Our financed emissions</b>		
Scope 3: Downstream activities (financed emissions) (tCO <sub>2</sub> e) <sup>‡</sup>	<b>5,931,879*</b>	<b>5,431,950</b>

\* Within the scope of EY assurance – for further information, see the Basis of Reporting

† Includes Scope 3 categories: 3 (fuel- and energy-related activities, 5 (waste generated in operations) and 6 (business travel).

<sup>^</sup> Category 1 data currently only contains water consumption data from our local businesses.

<sup>‡</sup> Reflecting the absolute emissions of the assets in the WACI calculation where the underlying data is available as detailed in the Basis of Reporting

## Forward-looking statements

This document contains 'forward-looking statements' with respect to certain of Prudential's (and its wholly- and jointly-owned businesses') current plans, goals and expectations relating to future financial condition, performance, results, strategy and objectives. Statements that are not historical facts, including statements about Prudential's (and its wholly- and jointly-owned businesses') beliefs and expectations and including, without limitation, commitments, ambitions and targets, including those related to sustainability matters, and statements containing words such as 'may', 'will', 'prospects', 'goal', 'should', 'could', 'continue', 'aims', 'estimates', 'projects', 'believes', 'intends', 'expects', 'plans', 'targets', 'commits', 'seeks' and 'anticipates', and words of similar meaning and the negatives of such words, are forward-looking statements. These statements are based on plans, assumptions, estimates and projections as at the time they are made, and therefore undue reliance should not be placed on them. By their nature, all forward-looking statements involve risk and uncertainty.

A number of important factors could cause actual future financial conditions, performance or other indicated results to differ materially from those indicated in any forward-looking statement. Such factors include, but are not limited to:

- current and future market conditions, including fluctuations in interest rates and exchange rates, sustained inflationary pressure (including resulting interest rate increases), volatile or sustained high or low interest rate environments, the escalation of protectionist policies, the performance of financial and credit markets generally and the impact of economic uncertainty, slowdown or contraction;
- the impact of global political uncertainties, geopolitical instability, armed conflicts, and heightened geopolitical tension among major global powers, including increased friction in cross-border trade and the exercise of laws, regulations and executive powers to restrict or control trade, financial transactions, capital movements and/or investment, as well as related sanctions, trade restrictions, and other governmental or regulatory measures, which may also impact policyholder behaviour and reduce product affordability;
- asset valuation impacts arising from sustainability-related considerations;
- derivative instruments not effectively mitigating any exposures;

- the policies and actions of regulatory authorities, including, in particular, the policies and actions of the Hong Kong Insurance Authority, as Prudential's Group-wide supervisor, as well as the degree and pace of regulatory changes and new government initiatives generally;
- the impact on Prudential of systemic risk and other Group supervision policy standards adopted by the International Association of Insurance Supervisors, given Prudential's designation as an Internationally Active Insurance Group;
- the physical, social, morbidity, health and financial impacts of climate change and global health crises (including pandemics), as well as other catastrophic events, both natural and human-made, which may impact Prudential's business, investments, operations and its duties owed to customers;
- legal, policy and regulatory developments in response to climate change and broader sustainability-related issues, including the development and interpretation of regulations, laws and standards relating to sustainability reporting, disclosures and product labelling, (which may be inconsistent across jurisdictions and give rise to conflicts of interpretation between national approaches, misrepresentation or compliance risks) on the one hand, and those which may seek to limit the influence of sustainability considerations on corporate activity on the other;
- the collective ability of governments, policymakers, the Group, industry and other stakeholders to implement and adhere to commitments on mitigation of climate change and broader sustainability-related issues effectively (including not appropriately considering the interests of all Prudential's stakeholders or failing to maintain high standards of corporate governance and responsible business practices), and the challenges presented by conflicting national approaches in this regard;
- the impact of competition and rapid technological change, including the pace of innovation, adoption, and changing customer demands;
- the effect on Prudential's business and results from mortality and morbidity trends, lapse rates and policy renewal rates;
- the timing, impact, and realisation of intended benefits, if any, and other uncertainties of future acquisitions or combinations within relevant industries;
- the impact of internal transformation projects and other strategic actions failing to meet their objectives in a timely manner, or at all, or adversely impacting the Group's operations or employees;
- the availability and effectiveness of reinsurance for Prudential's businesses;

- the risk that Prudential's operational resilience (or that of its suppliers and partners) may prove to be inadequate, including to prevent, respond to or recover from operational disruption arising from external events;
- disruption to the availability, confidentiality or integrity of Prudential's information technology, digital systems and data, including hardware and software (or those of its affiliates, suppliers, and service providers, and partners), including the risk of cyber-attacks, other data, information or security breaches and challenges in integrating AI tools and their related security and privacy considerations, which may result in financial loss, business disruption and/or loss of customer services and data and harm to Prudential's reputation;
- the increased non-financial and financial risks and uncertainties associated with operating joint ventures with independent partners;
- the impact of changes in capital, solvency standards, accounting standards or relevant regulatory frameworks, and tax and other legislation and regulations in the jurisdictions in which Prudential and its affiliates operate; and
- the impact of legal and regulatory actions, investigations and disputes.

These factors are not exhaustive. Prudential operates in a continually changing business environment with new risks emerging from time to time that it may be unable to predict or that it currently does not expect to have a material adverse effect on its business. In addition, these and other important factors may, for example, result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. Further discussion of these and other important factors that could cause actual future financial conditions or performance to differ, possibly materially, from those anticipated in Prudential's forward-looking statements can be found under the 'Risk Factors' heading of Prudential's most recent Annual Report or Half-Year Report (or any US equivalent filed with the US Securities and Exchange Commission), available on its website at [www.prudentialplc.com](http://www.prudentialplc.com).

Any forward-looking statements contained in this document speak only as of the date on which they are made or, in the case of any document incorporated by reference, the date of the document. Prudential expressly disclaims any obligation to revise or update any of the forward-looking statements contained in this document or any other forward-looking statements it may make, whether as a result of future events, new information or otherwise except as required pursuant to the UK's Public Offers and Admissions to Trading Regulations (2024), the UK Prospectus Rules: Admission to Trading on a Regulated Market, the UK Listing Rules, the UK Disclosure Guidance and Transparency Rules, the Hong Kong Listing Rules, the SGX-ST Listing Rules or other applicable laws and regulations. Unless expressly stated otherwise, no statement contained or referred to in this document is intended to be a profit forecast or profit estimate.

Prudential may also make or disclose written and/or oral forward-looking statements in reports filed with or furnished to the US Securities and Exchange Commission, the UK Financial Conduct Authority, the Hong Kong Stock Exchange, the Securities and Futures Commission of Hong Kong and other regulatory authorities, as well as in its annual report and accounts, other periodic financial reports, proxy statements, offering circulars, registration statements, prospectuses, prospectus supplements, press releases and other written materials and in oral statements made by directors, officers or employees of Prudential to third parties, including financial analysts. All such forward-looking statements are qualified in their entirety by reference to the factors discussed under the 'Risk Factors' heading of Prudential's most recent Annual Report or Half-Year Report (or any US equivalent filed with the US Securities and Exchange Commission), available on its website at [www.prudentialplc.com](http://www.prudentialplc.com).

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### Basis of preparation and caution regarding data limitations

The sustainability-related information contained in this document has been prepared on the following basis:

- i. The sustainability-related information is unaudited;
- ii. All sustainability-related information, positions and statements set out in this document are solely representative of the views of Prudential as of the date of publication and are subject to change without notice;
- iii. Prudential may change its views and assessments, particularly as updated information arises, more data becomes available, or industry best practice evolves, and may as a result take actions which may differ from the positions and statements set out in this document;
- iv. The sustainability-related information included in this document does not constitute any investment, accounting, legal, regulatory or tax advice or an invitation or recommendation to enter into any transaction;
- v. The sustainability-related information included in this document may have been prepared using models, methodologies and data which are subject to certain limitations. These limitations are particularly pronounced in the context of sustainability-related information, and include: a lack of reliable data (due, amongst other things, to developing measurement technologies and analytical methodologies); a lack of standardisation of data (given, amongst other things, the current lack of international coordination on data and methodology standards); and future uncertainty (due, amongst other things, to changing projections relating to technological development and global and regional laws, regulations and policies, and the inability to make use of strong historical data as a reliable indicator of future trajectories);
- vi. The models, external data and methodologies used in sustainability-related information included in this document are or could be subject to adjustment which is beyond Prudential's control, and any reference to or use of any models, methodology and/or data in this document does not imply an endorsement by Prudential of their veracity or suitability for any particular purpose;
- vii. Any opinions and estimates should be regarded as indicative, preliminary and for illustrative purposes only. Expected and actual outcomes may differ from those set out (as explained in the 'Forward-looking statements' paragraph above);
- viii. Some of the sustainability-related information appearing in this document may have been obtained from public and other sources and, while Prudential believes such information to be reliable, it has not been independently verified by Prudential and no representation or warranty is made by Prudential as to its quality, completeness, accuracy, fitness for a particular purpose or non-infringement of such information;
- ix. For the purposes of the sustainability-related information included in this document, a number of key judgements and assumptions have been made. It is possible that the assumptions drawn, and the judgement exercised may subsequently turn out to be inaccurate. The judgements and data presented relating to sustainability-related information in this document are not a substitute for judgements and analysis made independently by the reader;
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- xi. Whilst Prudential bears primary responsibility for the sustainability-related information included in this document, it does not accept responsibility for the external input provided by any third parties for the purposes of developing the sustainability-related information included in this document;
- xii. Whilst Prudential has sought to clearly define what it considers to constitute a "transition" activity (particularly in its "Financing the Transition" framework), there are many differing standards and taxonomies which have proposed definitions, and there is currently no global framework or definition (legal, regulatory or otherwise) nor clear market consensus as to what constitutes, a "transition" activity or "transition finance". Prudential is making the information included in this document available in order to set out its own current position in view of the possibility that different interpretations of these terms may develop over time. Prudential makes no representation or warranty as to whether a "transition" activity or "transition finance" referred to in this document may meet specific classification requirements, taxonomies or standards;
- xiii. Whilst third-party industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, the accuracy and completeness of such information is not guaranteed. Prudential has not independently verified any of the data obtained from third-party sources (whether identified in this document by source or used as a basis for any beliefs and estimates stated herein), or any of the assumptions underlying such data. Similarly, internal surveys, industry forecasts and market research, which Prudential believes to be reliable, have not been independently verified;
- xiv. The sustainability-related data contained in this document reflects available information and estimates at the relevant time;
- xv. Where Prudential has made use of any methodology or tools developed by a third-party, the application of the methodology or tools (or consequences of its application) shall not be interpreted as conflicting with any legal or contractual obligations and such legal or contractual obligations shall take precedence over the application of the methodology or tools;
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- xvii. This Important Notice applies to the whole of the sustainability-related information included in this document;
- xviii. Further development of reporting, standards or other principles could impact the sustainability-related information in this document, or any metrics, data and targets (it being noted that Environmental, Social and Governance reporting and standards are subject to rapid change and development); and
- xix. While all reasonable care has been taken in preparing the sustainability-related information included in this document, neither Prudential nor any of its affiliates, directors, officers, employees or agents make any representation or warranty as to its quality, accuracy or completeness, and they accept no responsibility or liability for the contents of this information, including any errors of fact, omission or opinion expressed.



### **Prudential public limited company**

Incorporated and registered in England and Wales

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Registered number 1397169

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#### **Principal place of business**

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Prudential plc is a holding company, some of whose subsidiaries are authorised and regulated, as applicable, by the Hong Kong Insurance Authority and other regulatory authorities. The Group is subject to a group-wide supervisory framework which is regulated by the Hong Kong Insurance Authority.

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