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2022 was a year when we completed a period of significant corporate transactions and restructuring that has transformed Prudential. I would like to thank my fellow Board members, retired and current, for their commitment, hard work and support throughout the year and, indeed, since this phase of radical change began.

The appointment of our new Chief Executive Officer, Anil Wadhvani, completed the shift of Prudential's management to Asia, reflecting our transformation to focus on the growth markets there and in Africa. Given the importance of the decision to the future success of the company, all Non-executive Directors were involved in the decision-making process that resulted in Anil's appointment. Building on previous work by the Nomination & Governance Committee, the Board conducted a thorough and robust search process, considering the best internal and external talent with the support of the external search firm, Egon Zehnder. Candidates were interviewed by all Non-executive Directors and subject to full independent assessments and extensive referencing. Our key criteria were deep understanding of, and operating experience in, insurance across our key Asian markets and the skills to lead and develop a customer-centric, performance-driven culture. Following an extensive and rigorous search, the Non-executive Board members unanimously identified Anil as the best candidate. He has more than 30 years' experience, predominantly in Asia, including in insurance and as a customer-centric people leader with a strong track record of creating and driving a culture of success, significant and proven digital experience, and the leadership skills required to take the company through the next phase of its journey, building on the strong platform that we have created.

Alongside this key management change, we recognised some time ago that the changes to our organisational focus and footprint meant changing the composition, focus and culture of the Board and its committees. These continuing changes are set out in the Nomination & Governance Committee report. As the Board composition has changed to reflect the Group's transformation, we have worked to ensure we do not lose the experience and insights gained from our long-standing commitment to strong governance as a core pillar of our resilience.

In transforming the business and the Board, we benefited hugely from the greater ability to travel through the course of the year, with the return of in-person engagement and interaction, building and re-building personal connections as a Board and with our management teams across the Group. This enabled us to better understand the different perspectives and expectations of a range of stakeholders who are important to our success as a business.

As well as its composition, the Board's agenda and ways of working have also changed to reflect the transformed company's needs. Through 2022, we continued to conduct deep dives into each market presented by local leadership on a rotating basis to enable a clearer understanding of the performance, strategy, opportunities and risks facing each of the businesses, as well as increasing dialogue between Group and subsidiary boards to share understanding and experience. We received regular updates on cross-cutting issues so the Board could support management as they enhanced the operational focus, synergies and risk management across the Group to realise the promise of our re-focused strategy, which was energetically led by Mark FitzPatrick through the year.

These subjects have included agency productivity, bank distribution, our technology strategy, digital adoption opportunities and challenges, trends in persistency and its implications, and people issues such as how we are managing stress, well-being and attrition, and the impact of the pandemic and cost of living crisis on our customers. We ensured appropriate time and consideration was given to understanding the impact of regulatory changes affecting the Group, particularly IFRS 17, and risks such as those relating to cyber security.

As I reported last year, we created the Board Responsibility & Sustainability Working Group (RSWG) in 2021 with particular focus in its first phase on how we created, embedded and reported on Prudential's role in, and targets for, a just and inclusive transition on climate change, and on people issues.

In 2022, our attention to climate change continued unabated. With our climate change policies more mature, we were able to move the oversight of environmental and climate-related issues, including the Group's external commitments and their embedding into the business, into the regular agenda of the Risk Committee, with its terms of reference updated to ensure a holistic approach to this area.

Following detailed discussions at the Board of our approach to climate change, and the progress towards the Group's externally communicated climate-related commitments set out in our 2022 ESG Report, recognising the evolving expectations of stakeholders, the Board agreed the need for clear communication around Prudential's role in emerging markets. As a significant investor and asset owner with long-term investment horizons and liabilities, we believe we are in a position to support a just and inclusive transition for and within emerging markets. We articulated this in 2022 through the development of a white paper which defined the case for a just and inclusive transition, and its place in meeting the Paris Agreement. The paper explored case studies and further actions required, both from ourselves, the wider market and a range of stakeholders.

With climate now under the terms of reference of the Risk Committee, we have changed the RSWG to include focus on Customers and Digital, in addition to its existing role with respect to People, Culture and Communities. These are deeply inter-linked issues at the heart of our future success: for example, how we ensure truly embedded customer-centricity as the critical underpinning of our business and conduct; how we use technology to support our people and agents to deliver for our customers better; and how our culture, talent and capabilities need to develop in order to deliver these objectives and be nurtured through the pressures and stretch of change.

With Alice Schroeder's departure, George Sartorel now chairs the RSWG. Arijit Basu and Claudia Suessmuth Dyckerhoff were appointed to the RSWG on joining the Board, with Jeremy Anderson stepping down from it on 31 March 2023 after the publication of the ESG Report, in light of his appointment as Senior Independent Director from the AGM in May 2023.

### Focus in 2023

With Anil's arrival, we want to ensure that our governance is an enabler of, and support to, his and the senior management team's success in leading the company to deliver for our customers, invest in our capabilities, technology and people, and realise the promise of our growth strategy to create long-term value for our shareholders and to serve all our stakeholders.

We will continue to work on developing a performance-driven culture, aligned to our values and necessary to support our transformation. This underpins the ways we work, ensuring we have the diversity of experience and perspectives, with our people truly included and supported in their ambitions, able to contribute fully to the company and, critically, to serve our customers.

Given the external challenges I described in my opening statement, we are focused on the careful management of key risks which are set out further in the Risk Committee report, as well as adapting to changes in regulatory and reporting requirements such as IFRS 17, which is discussed further in the Audit Committee report.

I look forward to welcoming you at our Annual General Meeting at 10.30 UK /17.30 HK on 25 May.



**Shriti Vadera**  
Chair