



Strategic Pillar:

## Building social capital



**14,486**  
Group employees

**35%**  
women in senior leadership

**1<sup>st</sup> time**  
listing on the Bloomberg  
Gender Equality Index in 2021

**PRUCommunities**  
launched

**88%**  
ShareAction Workforce  
Disclosure Initiative score



We build social capital by building trusted relationships with our employees, on whom our success depends, and we seek to safeguard the public's trust in us through our rigorous approach to digital responsibility.

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**1 Our people responsibility**

As an employer, we have made a pledge to make Prudential a place where our people can *Connect, Grow and Succeed*.

**Our Employee Value Proposition**

With 'Ambitious' as one of our values, we have a bold vision for what it is like to work at Prudential. We are on a multi-year transformational journey to reach this, within which 2021 was a critical year.

Our Group Culture Framework outlines who we are, why we exist, and how we conduct our business and ourselves, as well as how we behave while at work and in the wider world. The four components that comprise our culture framework are: *Purpose, Principles, Values, Future-Ready Skills*.

In October 2021, to give form to our Group Culture Framework, we launched a unified employee value proposition (EVP). The EVP speaks to our current and prospective employees, prompting reflection on the impact they can make at Prudential, and providing tangible proof points on how Prudential powers their careers. The EVP is as follows:

The EVP is a pledge, not a strategy itself. Our people strategy and a three-year roadmap were socialised with our Board and guide our work to fulfil the promises it makes. The strategy covers areas including culture, diversity and inclusion, learning and development, leadership, talent, performance and more; the roadmap lays out a series of intended outcomes. During 2021, the roadmap called for aligning processes and engaging our people, with performance management being a focal point.

***'Prudential's purpose is to help people get the most out of life. We do that for customers and employees alike. We know that career decisions are significant – and that you entrust us with your time, talent and passion. This powers our ambitions in Asia and Africa. In exchange, to honour the trust you place in us, we pledge to make Prudential a place where you can Connect, Grow, and Succeed.'***

Prudential plc's Employee Value Proposition



**Building social capital / continued**

**Culture**

Our people surveys are central to measuring our progress on our three-year culture journey. We conducted our first survey in May 2020 and our second in January 2021. These initial surveys told us that, although our people were proud to work for Prudential and were being supported in our initial response to Covid-19, they needed more support in the areas of work-life balance, raising concerns, and career and learning opportunities.

We then carried out our third global people survey in December 2021, with 95 per cent of our colleagues participating and providing feedback. Understanding of the Group's values was the most improved factor on the survey, compared to January 2021. Overall engagement continues to improve, and our 2021 engagement score was above the benchmark median score for all industries globally.

Since we ran the initial survey in May 2020, we have made significant improvement in the following areas:

- > Open and honest two-way communications;
- > Reporting a concern without fear;
- > Rarely feeling overstressed by work; and
- > Doing something when someone is not delivering in their role.

At Group level, topics raised by colleagues included learning and development opportunities, positioning our colleagues for growth during business transformation and enhancing colleague wellness. Insights from the survey will help inform plans at both business and Group level.

In 2020, we conducted our first Collaboration Jam, a three-day inclusive online conversation where colleagues could connect and co-create solutions for the issues that matter most to them. Input from our colleagues during 2020's Collaboration Jam helped us to define our new values: ambitious, curious, empathetic, courageous and nimble, which we believe are fundamentally human values, represented by different parts of the body so that they are accessible regardless of language or seniority. Each value is defined by different mindsets and acceptable and unacceptable behaviours, making it clear what is expected of our colleagues. Our values are embedded in our approach to feedback and reward. We launched our values in early 2021, with a series of videos where colleagues explained what the values meant to them personally.

We conducted our second Collaboration Jam in August 2021, with over 9,000 colleagues registering to participate and more than 75,000 comments made over the 72-hour period.

As in 2020, the 2021 Jam engaged our people to define another aspect of our Group Culture Framework, our future-ready skills, which we explored through key themes of culture and connection, customer-centricity, hybrid work, and wellbeing and the future of work. We used this colleague input to identify the values associated with the future-ready skills as well as the competencies necessary to put them into action. The competencies will be used to build our self-directed learning paths, which will be offered to colleagues in 2022. Insights gained from the Collaboration Jam form a key part of the ongoing development and iteration of our people roadmap.

The values and the future-ready skills work together to signal to our people how we want them to 'show up' in everyday interactions with customers and colleagues and also what we want them to do as they undertake their work. Our learning programmes are organised around the future-ready skills and our people receive continuous feedback on how well they are living the values from peers and managers through TellMe, an internal app that enables this feedback.

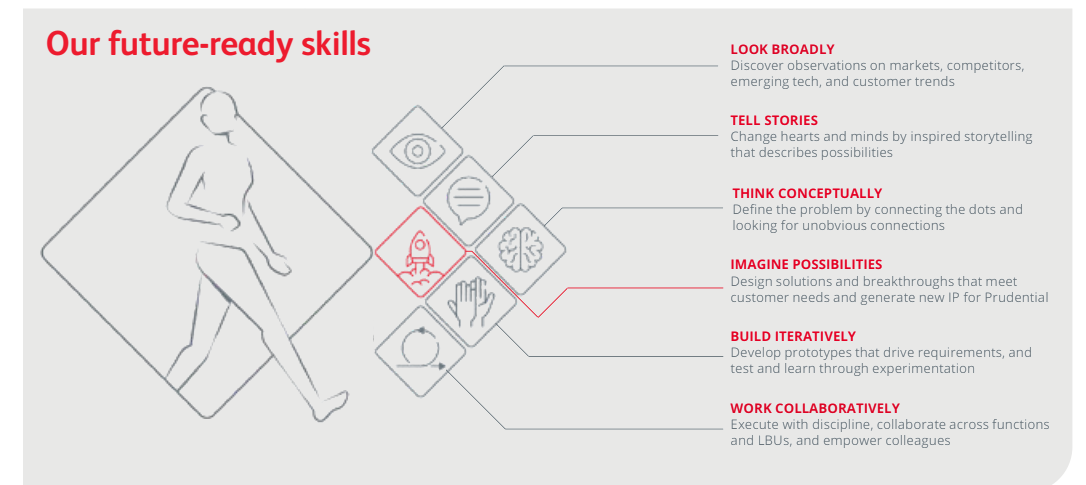
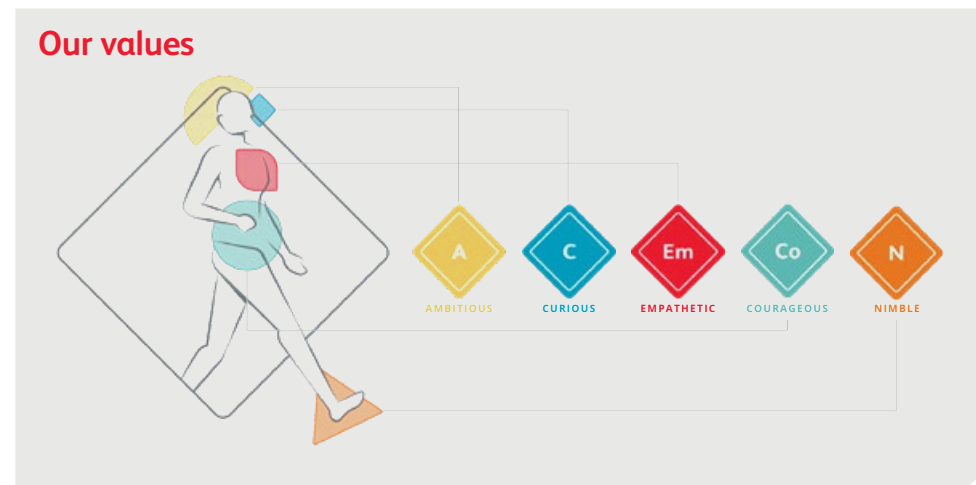
**Learning**

We have made a pledge to make Prudential a place where our people can connect, grow, and succeed. A significant part of our pledge to employees is preparing them for the future of work, so that they can participate in and contribute to our transformation, and also so that they are confident and well equipped for wherever their careers may take them.

In 2021, at the Group level, we made a series of strategic investments in learning and development (L&D). Our vision is to build a workforce that knows how to learn and does so in the flow of work and in service of our business ambitions. Our L&D strategy is intertwined with our Group Culture Framework, linking our learning programmes to our organisational culture. More information about the training provided to our agency force is provided on page 19.

We have partnered with LUMA Institute, an education company, to help develop our innovation and design thinking capability. To achieve scale, we have introduced LUMA Workplace, which is an online platform that enables a do-it-yourself approach to design thinking that includes tools, templates, suggested agendas and more. To lay a foundation for a broader rollout of design thinking as a future-ready skill, we have trained almost 250 people from across the Group on LUMA's Practitioner Certification Programme.

We hosted two company-wide webinars: one on 'New ways of working', and another called 'What could go wrong?' The first unpacked our values and introduced the concepts around our future-ready skills. It also served as the launch for LUMA Workplace and LinkedIn Learning, which hosted curated learning paths around our future-ready skills. The second webinar extended the narrative around values into the space of sound risk management. Both webinars were broadcast with live simultaneous translation in several local languages to increase accessibility of the content.



**Building social capital** / continued

Our local businesses also developed local learning programmes tailored to specific needs. Notably, Prudential Singapore held a week-long ‘Learning Fest’ called PRUYou Fest: Supercharging You to Power up PRU, focused on capability building and celebrating the learning culture at Prudential Singapore. The event saw 1,260 attendees, including employees and agency distributors, who clocked over 1,700 learning hours that week.

Employees are expected to complete mandatory training each year on key topics such as anti-bribery and corruption, anti-money laundering, privacy and competition law, completing an average of 12 hours training during 2021.

**Diversity, inclusion and belonging**

We seek to build a culture where diversity of thinking, skills, identity and experience is celebrated and inclusion assured for our people, customers and partners.

To proactively manage the hiring and promotion of senior leaders, we have developed a dashboard that will be used at both a Group and local business level to support the management of talent pipelines. A summary of our D&I performance is included below. While our diversity figures have improved year-on-year, we recognise that we have more to do in this area, and a number of the initiatives set out below are aimed at addressing this, for example our Talent Sponsorship Programme that launched in 2021.

Our Global D&I Council, established in May 2020, is responsible for defining our global D&I strategy and supporting programmes, promoting and championing D&I initiatives in respective businesses and challenging the organisation when progress is limited. The Council provides updates to the Board twice a year and the Responsibility and Sustainability Working Group (RSWG) receives quarterly D&I updates. In July 2021 we expanded the Council to include five additional members to ensure alignment to the broader ESG strategy.

- > At 31 December 2021, the representation of women on our Board was 40 per cent. However, following the 2022 AGM, the representation of women will be 33 per cent, just below the average for FTSE100 companies, and we expect further changes during 2022 as the Board continues to evolve.
- > We have exceeded the recommendation of the Parker Review to have at least one director being from what is regarded in the UK as an ethnic minority background on the Board by 2021, with five of our 15 directors meeting this criteria.
- > As a signatory to the HM Treasury Women in Finance Charter since 2016, we had a target of 30 per cent women in senior management by the end of 2021. At 31 December 2021 this figure was 35 per cent.

The Council has established a global D&I Charter guided by the principles of empowering our employees, fostering transparency, and creating communities.

In October 2021, after reviewing our approach to employee networks, the Global D&I Council launched PRUCommunities, which are led and owned by our people and open to everyone at Prudential, providing person-to-person connections and a strengthened sense of belonging. PRUCommunities is designed to be a safe place for our people to share identities, interests and goals, and ignite the changes they would like to see at Prudential.

PRUCommunities of our people enable them to Connect, Grow and Succeed through building connection and community locally, regionally and globally across businesses and functions. On 19 November 2021 the first global event for PRUCommunities was hosted with #PinkFridayPride, run by PRUPride to support LGBTQI+ colleagues.

During 2021, we launched our Talent Sponsorship Programme, which is aimed at accelerating diverse talent and matches our most senior executives as sponsors to selected leaders and sponsees who have been identified through our talent review process as critical pipeline for our future. This programme aims to provide sponsees with greater visibility in the organisation, increasing their impact in their existing roles and accelerating their career progression. The programme has been a learning experience for both sponsors and sponsees, who built trusted relationships across the organisation, gained a greater understanding of other functions and developed their personal leadership.

To date, over 70 per cent of sponsees have achieved their objectives. The programme will expand in 2022 by cascading to the next level of our talent pipeline, doubling the number of sponsees to 60, and focusing on underrepresented talent groups, based on gender, generation and background, to drive diversity and inclusion in leadership at Prudential.

As part of our ongoing commitment to transparency, during 2021 we again submitted responses to the ShareAction Workforce Disclosure Initiative, where we achieved a score of 88 per cent (2020: 76 per cent) and the Bloomberg Gender Equality Index, being listed on the index for the second year.

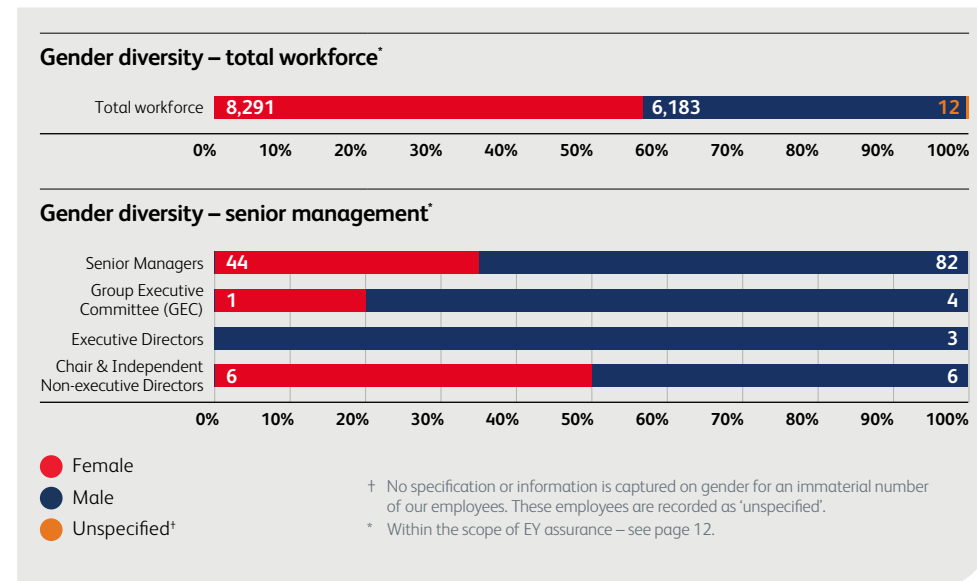
**Leadership**

We have taken steps to embed inclusive traits into the mindsets and behaviours that underpin our values. We focus on Senior Management Team (SMT) hiring, succession and development, leveraging a tool underpinned by Hogan Assessments. The tool has been developed to

provide insight on alignment with our values and leadership capabilities and identify potential derailers including potential biases an individual may have. Furthermore, certain local businesses have run workshops to invite leaders to reflect on their personal leadership and engage conversation around changes that could help them become more inclusive. This is consistent with our approach on learning, where we set Group-wide strategy and run certain company-wide programmes, which local businesses complement with interventions to meet local needs.

With our focus on raising awareness and embedding our values and inclusiveness, we provided our top 200 leaders with the Leadership Culture Journey programme during 2021. The programme provided a safe space, connecting leaders from across the organisation to reflect and freely discuss our values and what they mean to our leaders personally. They have also learned practices and tips to reinforce our values in daily reality. As part of this, we introduced an Adaptive Leadership framework, which supports systemic change around mindsets, behaviours, capabilities and more.

Since 2020, we have enrolled a cohort of our leaders in a Transformative Journey, a deeply contemplative programme aimed at developing more human-centric leaders and change agents for the organisation. Over 60 per cent of this year’s cohort reported improved wellbeing and all say they have shifted their mindset and feel more empowered to drive change. Going forward, we are aiming to reach a critical mass of our leaders in order to drive a more courageous and entrepreneurial mindset throughout the organisation. To sustain the momentum of this programme, we are aiming to enrol up to 50 per cent of our leaders and top talent on this programme in 2022.



## Building social capital / continued

### Talent and succession

Our talent management approach is evolving by providing both targeted interventions for selected segments of talents and leaders identified as successors for future leadership roles, as well as providing all employees with access to individual development and career opportunities. To align with external hiring, individuals identified in succession pipelines will undertake our Hogan-based Assessment, which will inform their selection when the role becomes available and also guide their development in preparation for their next career move.

Our focus is to promote from within to provide meaningful careers for our people and strengthen our leadership capabilities deeper into the organisation. In 2021, almost 70 per cent of our leadership appointments have been internal candidates, of which a number have come from the promotion of talents, including those who have participated in our Talent Sponsorship Programme. We also focus on internal mobility, and nearly 50 per cent of all appointments came from cross-business mobility.

We have improved succession coverage by accelerating readiness of successors who are ready to take a designated role within the next 18 months and we have increased our talent pipeline by 30 per cent over three years.

We have achieved this by moving deeper into the line of succession to mitigate the risk of promotions leaving gaps. To strengthen our pipelines in commercial, financial and HR roles, we piloted new functional assessment centres, using psychometrics to identify future potential and panel interviews on critical skills assessed by internal leaders. Our Executive Development Centre supports the talent pipeline for the most strategic roles in our organisation, with 43 per cent of participants being promoted within a year, 14 per cent taking on expanded roles and the remainder continuing to grow into their existing roles.

Recognising that every employee is a talent, we are developing a more democratised approach to talent development, providing all employees with the opportunity to access mentoring and new career experiences.

In June, we launched myMentor, a platform to provide mentoring at scale, where employees can register as a mentor and/or search for a mentor across the entire organisation. Mentors can share their extensive knowledge, insights, advice and experiences with colleagues across the Group, supporting personal and organisational growth in a transparent and democratised manner. Over 130 mentoring relationships have been created during 2021 on the platform, significantly increasing the number of mentorship opportunities for our people.

In October, we piloted our Opportunity Marketplace platform, which aims to provide colleagues with new learning and development opportunities, capturing the untapped energy and capabilities of our people. The Marketplace applies machine learning to match our people's skills and aspirations with project opportunities, permanent roles and learning opportunities. It allows people to drive their own growth and development by furthering their experience and skills in areas that interest them. We will continue to roll out the Opportunity Marketplace during 2022.

### Reward and recognition

We aim to build reward plans that attract and engage exceptional people, foster their wellbeing and provide with them fair and personalised opportunities to share in organisational success. We recognise and reward high performance and are committed to a fair and transparent system of reward. Among our benefits, we offer employees competitive pension arrangements. Remuneration is linked to the delivery of business goals, our values and expected behaviours. We ensure that our rewards for our people do not incentivise inappropriate risk-taking by assessing employees on 'what' they have achieved, and on 'how' they have done so.

We aim to create the right environment for all of our people to excel and contribute to the company's success, in line with our purpose to help people get the most out of life. In 2021, we introduced a new performance management framework based on our employee value proposition to connect, grow and succeed. The framework is based on our 'Coach' principles:

- > Continuous: Frequent feedback anytime, anywhere;
- > Ownership: Each of us is responsible for our own careers;
- > Authentic: Open conversations in a trusted, honest and motivating manner;
- > Clear employee, team and individual goals: Clarity on what is expected of our employees and teams; individual goals all align to our business strategy; and
- > How we behave and exhibit our Group values form an integral component of individual performance.

We have prioritised linking our values to reward outcomes. We continue to drive 360-feedback for our colleagues, which we adapted in 2021 to ensure the way in which we evaluate performance and development is aligned with our values. The behaviours associated with our values form the basis of peer-to-peer feedback, which in turn is included in annual performance reviews, linking behaviours to reward outcomes.

The Group's executive remuneration arrangements reward the achievement of Group, business, functional and personal targets, provided that performance is aligned to the Group's risk framework and appetite and that our conduct expectations, as well as those of our regulators and other stakeholders, are met. Information on executive remuneration and its alignment with the pay of other employees, including the CEO pay ratio and UK gender pay gap, is provided in the Directors' Remuneration Report within the Annual Report.

### Wellbeing

Following feedback from our Collaboration Jams, we have sought to raise awareness on wellness, as well as connection with and recognition from colleagues. During 2021, we co-created our wellbeing framework with all of our businesses to define how we ensure that we look after the health and wellness of our employees. Our focus is on four main wellbeing pillars: health and wellness, financial, work-life blend and mental wellbeing. More detail on how we support our colleagues across these four areas of wellbeing is provided in the table below. These Group-wide programmes are supplemented by local initiatives, including family Fridays, where employees are encouraged to finish early, virtual fitness challenges and wellbeing webinars and speaker events. The implementation of the wellbeing framework is monitored through a dashboard, which provides an indication of how well we are performing against the wellbeing standards and enablers.

We continue to develop our wellbeing approach in the context of the rapid transition to hybrid ways of working, which will see an ongoing proportion of people continuing to work remotely. We have developed our approach to hybrid working, including principles and toolkits to support our employees based on guidance from our people through the 2021 Collaboration Jam, along with input from our managers and leadership. In October, we engaged over 120 managers across the Group to understand how to support them to implement hybrid working at Prudential on an ongoing basis.

This identified three key areas of focus for successful hybrid working, namely technical skills and the need for digital upskilling of employees, human skills to support and manage wellbeing, and organisational support to provide consistent access to hybrid working arrangements for our people. The aim of this is to enable a transition to sustainable performance that prioritises employee wellbeing while facilitating working in a hybrid way.



## Mental Health Framework

The pandemic has led to a rising demand for mental health support. Prudential has introduced a Mental Health Framework focused on raising awareness, providing preventive care, offering protection and building sustainability through support and connection in the workplace, collectively known as 'APPS'.

Since the launch of our new Employee Assistance Programme (EAP) in March 2021, about one in four employees have accessed the services. Since inception, over 2,400 employees have attended our monthly wellbeing seminars on topics including boosting mental health, building resilience and effective stress management since inception. The top searches on the EAP website were in relation to mental health and work-related subjects.

We have also enhanced our mental health coverage by incorporating psychiatrist and clinical psychologist coverage in local health plans to support the inclusion of mental health for employees and their dependants.

## Building social capital / continued

Wellbeing at Prudential is defined across four pillars.

Area	Benefit principles	Core company-wide benefits	Additional benefits available in some of our markets
<b>Health and wellness</b>	<p><b>We create a workplace that fosters a healthy lifestyle</b></p> <p><b>We provide competitive protection benefits for employees and their families</b></p>	<p>All our markets offer minimum life coverage of 48x monthly base salary to help provide financial security for colleagues' families, subject to local insurer approvals. This is in addition to the supplementary support of six months guaranteed basic cash and other benefits, such as accrued pension and extended medical coverage.</p> <p>Pru Care Fund – In addition to life protection and sick leave benefits in place, we are ready to provide financial assistance of up to US\$20,000 so that employees can meet basic needs in the event of hardship resulting from unexpected loss of income due to permanent disability, critical illness or exceptional circumstances.</p>	<p>Home Environment – To foster a safer and more comfortable home environment we offer to provide colleagues with home office and gym equipment, as well as hygiene and cleaning devices.</p> <p>Healthy Lifestyle – To emphasise a healthy lifestyle, we offer nutrition, fitness training and also collective office exercise breaks.</p> <p>Vaccination Leave – We offer extra time off for colleagues to receive vaccinations and have proper time to rest and recover.</p>
<b>Mental wellbeing</b>	<p><b>We promote mental health through access to services and support, when and where our people need them within an environment of psychological safety at work</b></p>	<p>Our medical plans include coverage for clinical psychologists and psychiatrists for employees and their dependants.</p> <p>Employee Assistance Programme (EAP) – We offer 24/7 counselling for colleagues and dependants, supplemented by a year-long series of webinars on wellbeing.</p>	<p>Staycation – Additional time off is offered in conjunction with annual leave to encourage leisure and recharge during lockdown.</p>
<b>Financial wellbeing</b>	<p><b>We support our employees to achieve financial security through innovative financial tools, financial literacy and planning</b></p>	<p>We offer competitive retirement savings plans.</p> <p>PruSharePlus – this is an employee share scheme offered across most of our markets that gives employees an opportunity to invest in the Company in return for matching share awards.</p>	<p>Parental Care Expenses – This replaces maternity coverage expenses and is extended to cover expenses related to adoption and surrogacy.</p>
<b>Social wellbeing</b>	<p><b>We provide an inclusive, family-friendly work environment and promote community work opportunities</b></p> <p><b>We recognise different ways of working</b></p>	<p>Hybrid working.</p> <p>Global Wellness Day – All colleagues across our global footprint were encouraged to take a synchronous day off, dedicated to resting, recharging and spending time with family and friends.</p> <p>PRUCommunities, with a focus on health and sport, have been supported and created across the organisation and are being further encouraged with the launch of the Global PRUCommunities Governance Framework in October 2021.</p>	<p>Parental Leave – Primary caregivers can have up to 16 consecutive weeks of paid leave, subject to statutory requirements, following the birth, adoption or surrogacy of a child. This replaces maternity leave.</p> <p>Partner Leave – Partners supporting primary caregivers in the event of the birth, adoption or surrogacy of a child can have up to 10 days of paid leave. This replaces our current five-day paid paternity leave.</p> <p>Phase Back – Colleagues may return to work on a part-time basis (minimally 50 per cent) for up to four weeks following a period of long-term absence, such as parental leave or long-term sick leave.</p> <p>Sabbatical – Colleagues may apply for an unpaid career break of up to 12 months, subject to your years of service.</p> <p>Early Release on Eve of Special Holidays – Early release will move to 12pm from 4pm to give colleagues more time to enjoy and celebrate special holidays with family and friends.</p>

Looking ahead, we are focused on building deep capability and driving mobility across the organisation. This is in line with the needs of the business as we accelerate Pulse and continue to drive our transformation. Building on this year's progress, our priorities for 2022 include:

- > **Work:** Preparing our people for the future of work. We will raise the digital literacy of our entire population and host a series of design thinking programmes to reinforce our values, build out our future-ready skillsets, and equip our people managers.
- > **Workforce:** Positioning our business and digital teams for growth. We will continue organisation design work that clarifies our operating model, make a significant investment in digital upskilling for select technical roles, and increase rotational assignments.
- > **Workplace:** Powering high-performance teams and wellness for all. We will deploy tools and programmes that support sustainable hybrid working and continue the focus on psychological safety, particularly as it relates to workloads and expectations.

## Building social capital / continued



## 2 Our digital responsibility

Digital innovation is central to our aim of helping our customers to be healthier and wealthier, helping them to get the most out of life. We are ambitious and we act with integrity in regard to digital responsibility. We are resolute in our commitment to fairness, safety and transparency in the design, governance and operation of our digital ecosystem.

### Group-wide Information Security Framework

With the increasing reliance on technology in delivering our business objectives, effective management of technology risk is of paramount importance. Information security and privacy is rated one of the top risks in Prudential, and we continue to demonstrate strong commitment to protect our customer data and preserve the privacy of our customers through a robust information security management framework.

### Global Security Operating Model

The Group-wide information security team operates globally through a 'Centre of Execution' model, leveraging skillsets, experience and resources across our geographical footprint to optimise our security defences and responses across Asia, Africa and the UK. The model fosters strong collaboration and knowledge sharing, which is crucial in the new era of cyber security. The global model has allowed us to consolidate and optimise information security technologies and processes across the Group, enabling security services to become more effective and efficient.

### Group Data Policy

More than ever, the ability to manage increasing volumes of data is critical to any company's success in a digital world. Prudential is currently going through a digital transformation and is creating ecosystems that enable the Group to collect and use data from various customer touchpoints. Given the Group's ongoing digital aspirations, the data that needs to be managed is expected to continue to grow at pace, with an increase in both the variety and volume of information and the speed at which it is collected. Managing this data responsibly is key to gaining the trust of customers globally.

The Group Data Policy defines Prudential's approach to ensuring that core data is managed effectively throughout its lifecycle in line with the regulatory frameworks of the markets in which we operate, data security and privacy policies and the Group Data Strategy. Under the Group Data Strategy, we seek to democratise the access of data, turning data into an organisational asset that can be leveraged to improve the health of our customers and enhance their wealth. Core data has been defined as data that is currently relevant to the single sources of truth for customer, product, pricing, contract, asset, valuation and external data.

The data lifecycle includes acquiring the right data, ingesting it, storing it, transforming it so that it can be consumed by applications to support AI, business intelligence and operational use cases, and retaining it in accordance with regulatory requirements.

The effective management of Prudential's data is a joint responsibility of the business and technology teams, and managing data responsibly is key in gaining the trust of our customers globally.

Specifically, the Group Data Policy requirements are classified into five key areas:

#### > Data governance and structure:

The practice of making strategic and operational decisions to manage organisational data effectively. Data Governance Councils are established at Group and local business levels and define data procedures and policies to be implemented across the organisation.

#### > Data access:

Ensure data is easily explorable and accessible in a structured way.

#### > Data usage:

Ensure data is not misused or abused, and is used ethically, according to any applicable law, and with due consideration for individual privacy.

#### > Data quality:

Ensure that the organisation's data is accurate and consistent over its entire lifecycle.

#### > Training and certification:

Create a data culture within the organisation. Improve the data literacy of our staff.

### Group Information Security Policy

The Group Information Security Policy (GISP) underpins how Prudential governs and manages information security. To support our global approach, the GISP is applied to all relevant businesses in Prudential, and the policy is developed with reference to numerous international and local standards including:

- > ISO27002;
- > NIST Cyber Security Framework;
- > The Hong Kong Insurance Authority Guideline on Cybersecurity;
- > The Monetary Authority of Singapore's Guidelines on Technology Risk Management; and
- > The Bank Negara Malaysia Risk Management in Technology Policy Document.

The policy is also supported by a suite of technical standards to enable consistent implementation. Our global security function retains its overarching commitment to protect the business, comply with all applicable laws and regulations, and support the growth of the Group securely.

## Building social capital / continued

### Oversight and Governance of Information Security

As the technology landscape of Prudential continues to evolve at pace, a new technology risk management model has been established through: (i) the establishment of the Group Technology Risk Committee (GTRC) and the Technology Risk Management team; (ii) the operationalisation of technology risk reporting across all businesses; and (iii) the provision of independent second-line assurance services.

The GTRC was established in September 2021, replacing the Group Information Security and Privacy Committee (GISPC), following the demerger of Jackson. The GTRC defines and provides governance of the overall technology risk management framework, including information security and privacy risks, across the Group. The GTRC meets at least quarterly and is a sub-committee of the Group Executive Risk Committee (GERC).

As the chairman of the GTRC and a standing member of the GERC, the Group Chief Information Security Officer (CISO) provides regular update to the GERC and the Group Risk Committee (GRC) on the cyber threats facing Prudential and the progress of Prudential's security programme. Periodically, the Group CISO also holds a dedicated session with the GRC for a more in-depth discussion on the cyber risk facing Prudential.

### Cyber strategy and risk management

We have developed our global information security programme to deliver our cyber security strategy and to drive continuous improvement across people, process and technology.

During 2021, the Group-wide information security programme evolved to focus on four key aspects to protect the Group and our customer data against heightened cyber threats, while enabling digital transformation of the business. These are (1) enabling secured digital platform and ecosystems; (2) uplifting the cyber defence capabilities; (3) automation and continuous improvement; and (4) transformation of the security organisation.

### Data breach metrics

Total number of (privacy) data breaches	Total number of (privacy) data breaches involving sensitive health information	Total number of customers and employees affected by company's data breaches	Total number of customers and employees affected by company's data breaches involving sensitive health information
18	6	47,266	113

A total of 18 data breaches were reported and collectively involved personal data of 47,266 individuals. The top three types of data breaches were i) loss of policy documents in transit (33 per cent); ii) data disclosed to incorrect recipient by email, post or other means (33 per cent); and iii) SMSs sent to wrong customers or terminated distribution representatives (22 per cent).

Out of the 18 data breaches reported, six involved sensitive health information and collectively impacted 113 individuals. The six data breaches were mainly related to policy document loss, data disclosed to incorrect recipient via post or emails, and a contractor sending unencrypted files to an external email address.

While the incidents do not represent any systemic issue, mitigation actions have been taken to prevent recurrence of the incidents.



### Digital responsibility and Pulse

Prudential is committed to providing robust security protection over both our Pulse app and customer data, via a core set of security controls that have been implemented into our Pulse app. These include multi-factor authentication as part of the device registration process, mandating minimum mobile device operating systems versions, prevention of jailbroken and rooted devices from using Pulse, and the secure transmission and storage of data.

The Pulse app follows a robust secure development lifecycle that includes scanning for vulnerabilities in code and open-source software libraries. Independent penetration testing is conducted by a third party as and when changes are delivered as part of the Pulse ecosystem development. This is further secured by continuous testing through engaging a group of professional security researchers or ethical hackers.

Our Pulse ecosystem relies on partnerships with a range of third parties. All business partners we engage with go through a detailed due diligence process to ensure that they meet our high standards on data security and protection requirements. Additionally, our in-house security monitoring tool has been developed to detect vulnerability and alert our key partners in order to keep Prudential safe by keeping our ecosystem partners safe.

Data within our digital ecosystem is treated the same as all data in our organisation and is governed by the Group-wide Information Security Policy and Group-wide Privacy Policy. Pulse collects information about users in order to provide relevant services to them. Health-related information is collected by our health partners (such as Babylon) directly and Prudential will only receive a user's health information from our health partners with the user's explicit consent. All information collected is transparent to the user through the Privacy Notice provided to them before user registration.

To align the range of regulatory expectations and requirements across our businesses relating to customer privacy, we have developed the OnePulse Privacy Framework (OPF) to standardise the implementation of privacy controls. Referencing the General Data Protection Regulation (GDPR) requirements, the OPF outlines the mandatory and configurable controls to be built into our Pulse app, covering data subject rights, customer consent and privacy notices. Additional controls are being considered as regulatory requirements evolve eg China Personal Information Protection Law. More information about our approach to privacy is available below.



**Building social capital / continued**

**Privacy**

As a business with a large global footprint, Prudential must navigate a number of different privacy laws. Robust privacy governance allows us to ensure that processing activities concerning the personal data of our customers, staff members, agents and stakeholders are embedded with 'privacy-by-design' principles and their privacy rights are being respected, which includes personal data being used and processed with legitimate causes, no over-collection of their personal data or tracking them, the data subjects being well informed about our processing and their respective privacy rights

and processes being in place for handling their requests. This supports Prudential's trustworthiness with customers, enabling them to let us process their personal data without concern that their data will be misused. A key focus in 2021 was to further embed privacy across the Group and ensure that the protection and compliant use of personal data is considered a key component during new projects and initiatives. In addition to the local privacy training that employees receive, global training focusing on the requirements of the Group Privacy Policy has been rolled out to ensure that employees are regularly reminded of their responsibilities when

handling personal data. Privacy maturity reviews were conducted across Asia, Africa and the UK and work is underway to further strengthen our Group-wide privacy controls.

The Group Privacy Office continues to have oversight of privacy compliance through implementation of the Group Privacy Policy and regularly reports on Privacy compliance to the Group Executive Risk Committee. The office works closely with privacy officers across Asia and Africa to support and advise on ongoing privacy compliance, as well as to provide a point of escalation for resolving data privacy issues.

An AI Centre of Execution (CoE) has also been set up to optimise expertise and serves as a platform for best practices sharing across the Group.

The Ethics Working Group of the Global AI Council is instrumental in upholding our AI Ethics Principles and is the only working group that approves or rejects AI prototypes. This working group was constituted and met for the first time in 2021. Chaired by Prudential's Global Chief Science Officer, its 15 members include representatives from various businesses and functions, with expertise in the fields of AI, medicine and ethics. Its main responsibilities include providing approval of all AI initiatives and prototypes and maintaining a record of all assessments and certifications.

In 2021, the Ethics Working Group reviewed AI systems that were in production for compliance with our eight AI Ethics Principles, based on real-world system performance. In several instances, the Ethics Working Group has made the decision to remove existing AI functionality from production where it has not been possible to ascertain compliance with all eight principles. The features removed include My AI Clinic, AI Skin Health Check, and Gout Buster, demonstrating how we evolve our AI deployment to align with our customers' needs and provide tangible value to them.

Our AI ethics governance has enabled us to build and implement AI systems thoughtfully, by considering all aspects that promote the responsible and ethical use of AI.

**Building AI and digital capabilities for the next generation**

AI Bootcamp – Prudential Cambodia organised an AI Bootcamp in October 2021 to raise awareness of AI technology and its applications among local universities, as well as create brand awareness of Pulse and recruit Pulse Ambassadors. Thirty students from seven local universities with different backgrounds and majors participated in the event. Prudential colleagues led workshops that took students with no knowledge of AI to create a workable AI prototype during the one-day hackathon, which ended with a competition. The event was well received by the students, and Prudential Cambodia plans to organise similar hackathon events in the future.

PRU AI Explorer Programme – Launched in the Philippines, the PRU AI Explorer Programme is a capability-building programme that offers AI and digital learnings, and immersion opportunities for underserved teens, in partnership with Junior Achievement Philippines and Microsoft Philippines. Its pilot run entailed a complementary Microsoft-powered online introductory Data Science course and Data Analyst certification for 1,000 senior high students from public schools and alternative learning systems in various marginalised communities including Tondo in Manila, Cabanatuan City in Luzon, Negros Occidental province in Visayas, and the Bicol region.

**Development of AI Council and AI Ethics Principles**

Artificial intelligence (AI) is not only core to Pulse, but in the course of 2021, AI has successfully been deployed in several insurance business processes. This is guided by our eight AI Ethics Principles, which we developed in 2020 and which are governed by the Global AI Council. They are:

