

Sustainability for Real-world *Impact* and Long-term *Resilience*

Our commitment to sustainability is embedded in our company purpose

For Every Life, For Every Future,

reflected in our values and underpins our business strategy. 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 strategy goes beyond managing environmental, social and governance (ESG) risks

As individuals and as an organisation, we want to contribute to a greener, more inclusive, and responsible future for our customers, people, shareholders and the communities in which we operate.

Our activities in 2023 provide good examples of how we are delivering for the next chapter of growth and taking proactive steps to achieve our sustainability ambition.

As we evolve our terminology to use the more comprehensive umbrella of 'sustainability', we demonstrate our ambition to run a sustainable business that has real-world impact and builds long-term resilience.

In 2024, we will be taking a strategic and integrated approach to sustainability, tracking ourselves against key metrics to hold ourselves accountable to all our stakeholders.

Sustainability continued**Our refreshed sustainability strategy****From ESG to sustainability**

As our approach to sustainability has evolved, how we talk about sustainability has evolved too. We view sustainability as a clear driver of value for our business and society. Our holistic approach involves enhancing the impact of our products and services and shaping the future of sustainability in some of the largest markets in the world. To that end, we are now using the term sustainability as an all-encompassing term that signifies the creation of value and growth through the positive impact we are having in our markets.

Our sustainability purpose and strategy

As a life and health insurance provider and long-term investor in Asia and Africa, we are committed to playing our part in increasing access to affordable health and financial protection, enabling a just and inclusive transition to a low-carbon future and paving the way to long-term resilience for our customers, people, communities and shareholders.

Our sustainability strategy is core to who we are as a business and our purpose 'For Every Life, For Every Future' speaks to our ambition to deliver real-world impact in the markets where we operate for a more sustainable, responsible and inclusive future.






Our refreshed sustainability strategy is centred on three pillars that reflect who we are as a business. They are simple and accessible health and financial protection, responsible investment and sustainable business. Each pillar has three key priorities that map out our opportunities for impact. Good governance and responsible business practices form the critical foundation across the strategy.

As guardians of our customers' and shareholders' assets, we consider all material risks, including ESG risks, in fulfilling our fiduciary duty.

Our sustainability strategy actively places the considerations of emerging markets at the forefront, reflecting the needs of many of the markets in which we operate. There is broad recognition of the need to manage the energy transition in a just and inclusive way, yet there is limited emphasis in mainstream discussions on exactly how difficult this process for emerging markets can be. They are currently the largest greenhouse gas emitters, but have historically contributed the least, have the largest financing gaps and are most vulnerable to the physical impacts of climate change. With our sustainability strategy we aim to bridge the gap between developed and emerging markets.

Affordability is still a key hurdle for many in emerging markets to access health and financial protection. As a result, we strive to provide more affordable products and solutions to help close the health and protection gaps between emerging and developed markets. By putting our customers at the centre of our product development process, we aim to adapt to changing demographics and meet the evolving needs of our customers.

Sustainability strategy




Ambition	Sustainability for real-world impact and long-term resilience		
Purpose	For Every <i>Life</i> , For Every <i>Future</i>		
Pillars > See page 108 > See page 110 > See page 114	 Simple and accessible health and financial protection Increase access to health and financial protection for every life	 Responsible investment Enable a just and inclusive transition to net zero for every future	 Sustainable business Embed sustainability into our business operations and value chain to amplify the pace and scale of our impact
Priorities	Delivering partnerships and digital innovation for health outcomes Drive positive health outcomes through partnerships and digital innovation Developing sustainable and inclusive offerings Develop sustainable and inclusive offerings to increase access to protection for underserved customer needs and communities Building resilient communities Support the communities in which we operate, building resilience through the work of our business units and Prudence Foundation	Decarbonising our portfolio Committed to decarbonise our portfolio and become a net zero asset owner by 2050 Financing a just and inclusive transition Financing a just and inclusive transition with emerging markets considerations at the forefront Mainstreaming responsible investments in emerging markets Leverage our influences as asset owner to mainstream responsible investments in emerging markets	Empowering our people Empower our talent pool by upgrading their sustainability capabilities and advancing our diversity, equity, inclusion and belonging strategy Establishing sustainable operations and value chain Embed sustainability in our day-to-day operations as a business, including with our suppliers and partners Harnessing thought leadership to shape the agenda Leverage our advocacy power to shape a sustainability agenda that places emerging markets considerations at the forefront
Foundation	 Good governance and responsible business practices: Corporate governance, conduct and ethics, risk management, external reporting and benchmarking 		
New targets	55% weighted average carbon intensity (WACI) reduction by 2030	Developed new internal investment target on financing the transition, as an underpin to the WACI reduction target	40% female representation in Group Leadership Team by the end of 2026 All people managers to have sustainability-linked KPIs by the end of 2026

Sustainability continued

Targets

We have committed to becoming a net zero¹ asset owner by 2050 and have set shorter-term targets in line with the recommendations of the Paris Agreement. When we refreshed our sustainability strategy to align with our new business strategy, we also set additional targets around responsible investment and sustainable business and put measurement processes in place to obtain data and set baselines.

Our targets and progress

Targets	Timing	Board's evaluation of progress
Responsible investment		
New Deliver a 55% reduction in the carbon emissions* intensity of our investment portfolio [†] by 2030 against our 2019 baseline	By 2030	 On track: During 2023 we reduced the weighted average carbon intensity (WACI) of our portfolio by 50% against the 2019 baseline
New Internal investment target on financing the transition to a lower-carbon future. (Note: This is a critical underpin for the WACI reduction target and is linked to our executive remuneration)	By 2030	New target
Engage with the companies responsible for 65% of absolute emissions in our investment portfolio	Ongoing	 Fully met: This is an ongoing annual target, which we have fully met in 2023 for the identified cohort of companies
Deliver a 25% reduction in our operational emissions intensity from a 2016 baseline, and abating the remaining emissions via carbon offsetting initiatives, to become carbon neutral across our Scope 1 and 2 (market-based) emissions by the end of 2030	By 2030	 On track: We achieved an intensity ratio of 0.95 tCO ₂ e/FTE for 2023, putting us on track to meet our 2030 target of 1.65 tCO ₂ e/FTE
Sustainable business		
Employ 35% of women in senior management [‡] by the end of 2023	By 2023	Fully met At 31 December 2023, the representation was 35%, in line with our 2023 target
New Ensure 40% of women in Group Leadership Team [§] by the end of 2026	By 2026	New target
New All people managers to have sustainability-linked KPIs by 2026	By 2026	New target

* Carbon emissions refers to carbon dioxide equivalent emissions (CO₂e) per the Greenhouse Gas (GHG) Protocol, including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

† Our investment portfolio ('investment portfolio') includes both listed equities and corporate bonds in all shareholder and policyholder assets, while excluding assets held by joint venture businesses and assets in unit-linked funds as we do not have full authority to change the investment strategies of these. Further information is provided in the Basis of Reporting.

‡ The senior management definition was previously defined as all senior managers who represent the most pivotal roles in our Group below the Group Executive Committee (GEC). It excludes the Chair, Executive Directors, and GEC members.

§ Group Leadership Team (GLT) is defined as the direct reports of all GEC members, all CEOs of our Life businesses and their direct reports, all CEOs of our Eastspring businesses, and select roles that are essential in delivering our strategy.

(1) In the context of Prudential, net zero and carbon neutral have the following meanings: 1. 'Net zero', in regard to greenhouse gas emissions, refers to a state by 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. 2. '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.

The above performance against targets is as of 31 December 2023. The Board will continue to review and evolve this as the Group progresses on its sustainability journey to consider evolving scientific data and stakeholder expectations.

Approach to sustainability reporting

We have observed our obligations under: (i) sections 414CA and 414CB of the UK Companies Act 2006; (ii) the UK's Financial Conduct Authority's Listing Rules in respect of climate-related disclosures; and (iii) the ESG Reporting Guide contained in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (HKEX). The HKEX sets out five reporting principles, which we have addressed as follows:

Materiality	The process of materiality assessment and stakeholder engagement is outlined in the Materiality assessment section below.
Quantitative	Consistent with our approach in 2022, metrics have been provided in compliance with the HKEX requirements and voluntary adoption of the SASB Insurance Standard. An index to this report covers HKEX and SASB Insurance requirements.
Consistency	The FY23 report is consistent with the FY22 report to support compatibility.
Balance	We have endeavoured to provide an unbiased account of our performance and to use objective presentation formats.
Reporting boundary	Consistent with previous years, the scope of the report, and data therein is available in the Basis of Reporting, and excludes joint venture partnerships, notably our joint ventures in India and China, and the Takaful business in Malaysia, unless otherwise stated.

We have made disclosures consistent with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and recommended disclosures (see TCFD index in this Annual Report). In line with our 'comply or explain' obligation under the UK's Financial Conduct Authority's Listing Rules, we can confirm that we have made disclosures consistent with the TCFD recommendations and recommended disclosures in this Annual Report. Our TCFD disclosures also meet the new climate-related financial disclosure requirements contained in section 414CB of the Companies Act 2006.

In 2023, Prudential continued participating in the Climate Change questionnaire of CDP, scoring B (2022: A-). This was due in part to survey changes, as CDP asks financial institutions to quantify revenue and costs aligned with their climate transition, consistent with strengthening global sustainability reporting framework requirements. To address this moving forward, we are looking to prepare for alignment with the International Sustainability Standards Board (ISSB) disclosures (particularly the new S2 Climate Standard), and report on climate-related disclosures through this lens once it becomes mandatory.

In line with HKEX guidance, the Group has sought limited assurance on select indicators covering Scope 1, Scope 2 and Scope 3 financed emissions, community investment cash contributions and employee diversity as per the prior year. We appointed EY LLP (EY) to provide limited independent assurance over these. EY will be the Group's external auditor from FY2023. In 2023, we also strengthened our internal procedures for verification of our disclosures covering non-financial statements to improve the accuracy of our information.

Rising to the climate challenge

Protecting the future is at the very core of Prudential's purpose: 'For Every Life, For Every Future'. And a future where everyone can thrive relies on limiting the human impact of climate change. Therefore, we are strongly committed to facilitating a just and inclusive net zero transition that fosters sustainable growth and promotes economic wellbeing within the communities we serve. Doing so will involve keeping capital in countries that currently rely heavily on fossil fuels to ensure they have vital funds to invest in lower-carbon transformation.

Climate change is an issue that cuts across all pillars of our sustainability strategy and our business, and we will coordinate our efforts across responsible investment, products and services, engagement and advocacy, and our own operations, to achieve our climate ambitions.

In March 2023, we published our first Climate Transition Plan. It sets out our approach to fulfilling our climate-related commitments and details the specific actions we will take and the metrics that will guide us on the path to net zero. Updates to our Climate Transition Plan are integrated within the Responsible investment and Sustainable business sections of the Sustainability Report 2023. Both the Sustainability Report and Annual Report contain an index to show alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Further climate-related information in this report

> TCFD disclosures, pages 119

> TCFD reference tables, pages 137

> Responsible investment information, pages 110

> Environmental metrics, pages 126

Sustainability continued

Materiality assessment

To deliver sustainable value in the long term, we need to align with our shareholder and stakeholder expectations. In 2022, we carried out a robust materiality assessment based on structured stakeholder engagement. This included formal surveys and interviews with customers, distributors and employees. Via this process, we explored a range of issues, risks and opportunities, focusing on where we can create positive impact through our products, services and initiatives. In 2023, after reviewing the findings, assessing external trends and holding regular dialogues with key stakeholders, we concluded that the findings remained relevant.

Materiality assessment process 2023

Step 1: Identify and define material topics

We reviewed the 21 topics from 2022 that were drawn from prior material topics, HKEX and SASB requirements, and peer reviews.

Step 2: Prioritise topics based on stakeholder views

Prioritisation was based on the assessment carried out in 2022, which was informed by regular interaction with stakeholders, as well as formal ESG surveys with nearly 1,000 customers, more than 1,000 employees, and over 7,000 agency distributors.

Step 3: Analyse and evaluate

We analysed and evaluated the 2022 outcomes and determined that the topics are still relevant to our business and remain important areas of concern for our stakeholders.

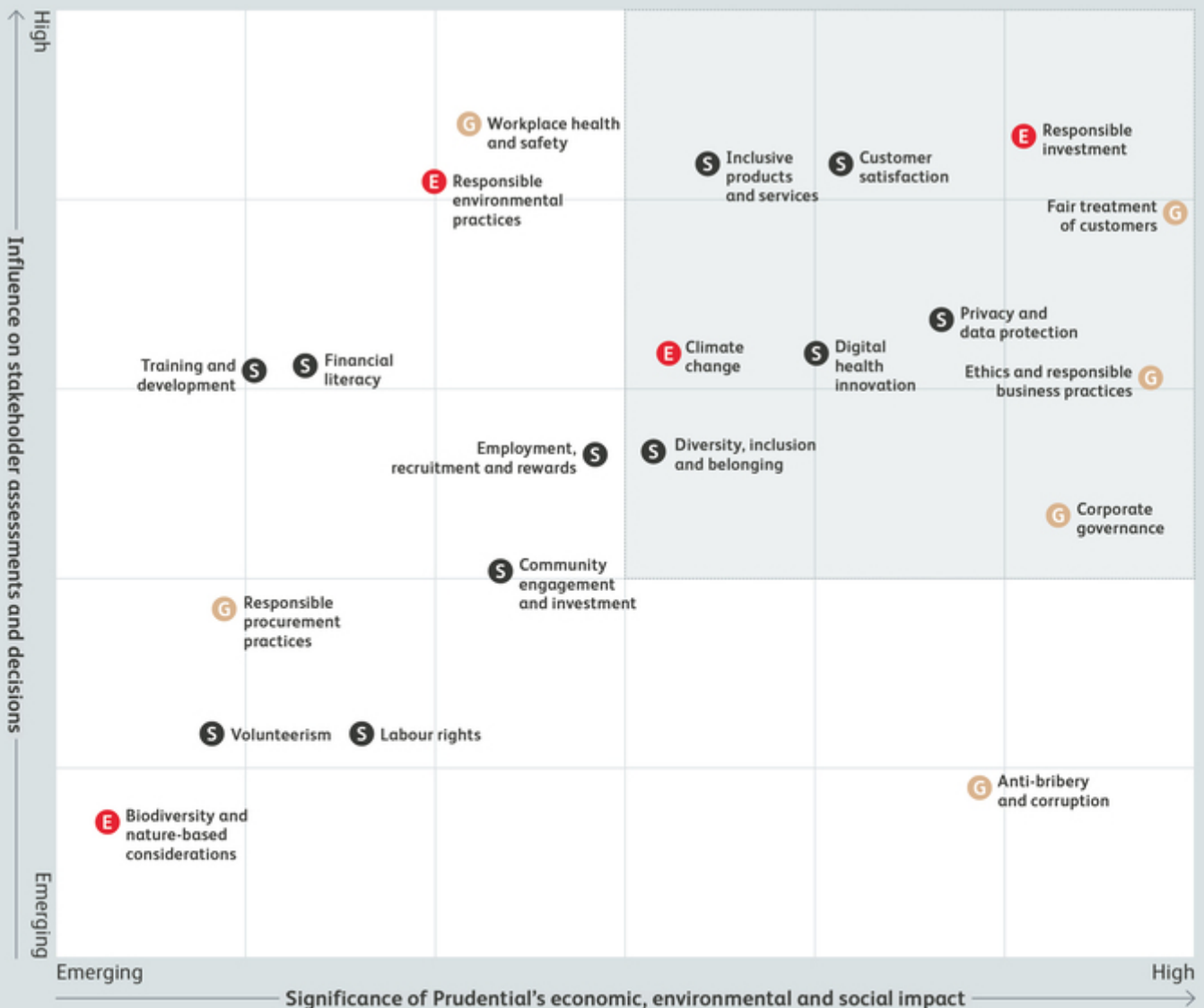
Step 4: Validation and approval by senior management

The final step of our materiality assessment involved validation and approval from senior management via the governance of our Group Sustainability Committee and Responsibility & Sustainability Working Group (RSWG).

Materiality matrix

Our assessment identified 21 topics and ranked them as either high, medium or emerging priority. The topics are mapped according to their importance to stakeholders and Prudential's business, and their impact on the economy, environment and society. Our high-priority material topics are consistent with our findings in 2022.

E Environmental
S Social
G Governance



Understanding our impact

Stakeholder engagement

The table below provides an overview of the different stakeholder groups we continue to engage with, how we have engaged with them, what their key areas of interest are and our response to these.

☆☆☆ Rating agencies

Mode of engagement

Annual meetings

Topics of interest or concern where indicated by the stakeholder group

- Climate change
- Inclusive products and services
- Responsible investment
- Diversity, inclusion and belonging
- Responsible procurement practices
- Data privacy and cyber security

👥 Employees

Mode of engagement

- Employee engagement surveys
- Collaboration Jam
- Townhalls
- GEC roadshows

Topics of interest or concern where indicated by the stakeholder group

- Responsible environmental practices
- Financial literacy
- Responsible investment
- Climate change
- Employment, recruitment and rewards
- Diversity, equity and inclusion in the workplace

⚖️ Governments and regulators

Mode of engagement

- Roundtables
- Consultations
- Public events
- Regulatory colleges
- Regular meetings (direct and indirect, eg with sector-wide/ industry bodies)

Topics of interest or concern where indicated by the stakeholder group

- Healthcare access and insurance
- Financial inclusion
- Climate change and sustainable finance
- Technology and innovation
- Data privacy
- Ethics and responsible business practices
- Responsible tax

💰 Investors

Mode of engagement

- Regular meetings
- Investor conferences
- Investor Perception Study

Topics of interest or concern where indicated by the stakeholder group

- Climate change
- Responsible investment
- Inclusive products and services
- Diversity, inclusion and belonging
- Digital health innovation
- Fair treatment of customers

> Further information on stakeholder engagement can be found in our Section 172 Companies Act Statement in our Annual Report and Accounts on page 88.

Sustainability continued



Customers

Mode of engagement

- Contact centres
- Focus groups
- Customer survey

Topics of interest or concern where indicated by the stakeholder group

- Customer fair dealing
- Data privacy and protection
- Responsible investment
- Customer satisfaction
- Financial literacy



Agency distributors

Mode of engagement

- Agency distributor survey

Topics of interest or concern where indicated by the stakeholder group

- Customer satisfaction
- Inclusive products and services
- Training and development
- Digital innovation
- Customer fair dealing



Peers and other financial institutions

Mode of engagement

- NZAOA
- Just Energy Transition Partnership (JETP) Vietnam
- Hong Kong Green Finance Association (HKGFA)

Topics of interest or concern where indicated by the stakeholder group

- Portfolio decarbonisation
- Sustainable and transition finance
- Challenges in financing emerging markets
- Disclosures & reporting standards
- Carbon offsets

> Further information on stakeholder engagement can be found in our Section 172 Companies Act Statement in our Annual Report and Accounts on page 88.

Sustainability governance

The Board considers sustainability to be aligned with our ambition to be the most trusted partner and protector for generations to come. It recognises the major role that Prudential can continue to play in shaping sustainability across Asia and Africa, as well as in ensuring the long-term success, resilience and health of the communities in which we operate. As such sustainability matters, including climate change, are overseen by the Board, which is responsible for determining overall strategy and prioritisation of key focus areas.

The Responsibility & Sustainability Working Group (RSWG) comprises only independent Non-executive Directors and focuses on customer, culture, digital, people and community matters. The Risk Committee oversees environmental and climate-related issues, including the implementation of the Group's commitments to decarbonise its operations and investment portfolio and other climate-focused responsible investment commitments. The Committee is also responsible for external reporting, via the Sustainability Report, where it relates to those areas within its remit, including monitoring progress on the Group's reporting against the recommendations of the TCFD.

The Risk Committee has a standing item on its agenda in relation to its oversight of climate change, including progress against our climate targets. In setting future targets or commitments, the Risk Committee considers and makes appropriate recommendations to the Board. The remit of the Risk Committee also includes considering climate-related issues when reviewing and guiding overall strategy, major plans of action, risk management policies, annual budgets and business plans.

In 2024, the Board plans to establish a Sustainability Committee to replace the RSWG and to take over from the Risk Committee oversight of environmental and climate-related issues. The Committee will be chaired by Non-executive Director, George Sartorel.

Since 2022, sustainability has been included in the strategic priorities for the Group's Executive Directors by way of a specific objective to drive the climate transition and responsible investment focus across the organisation. To support this ambition, the Remuneration Committee has adopted a transition finance underpin target for this element of the Prudential Long Term Incentive Plan (PLTIP). This underpin will consider the value of qualifying investments committed to support the transition of the world to a lower-carbon future.

In line with our updated target to reduce emissions from all shareholder and policyholder assets by 55 per cent by 2030, in December 2023 the Remuneration Committee agreed to attach carbon reduction targets to Executive Directors' 2024 Prudential Long Term Incentive Plan (PLTIP) awards, making this the third cycle of awards with carbon reduction targets. Sustainability metrics constitute 10 per cent of the total Executive Directors' 2024 PLTIP award, including 5 per cent linked to carbon reduction and 5 per cent linked to diversity.

> Further information regarding both measures can be found in the Directors' remuneration report within the Annual Report and Accounts.

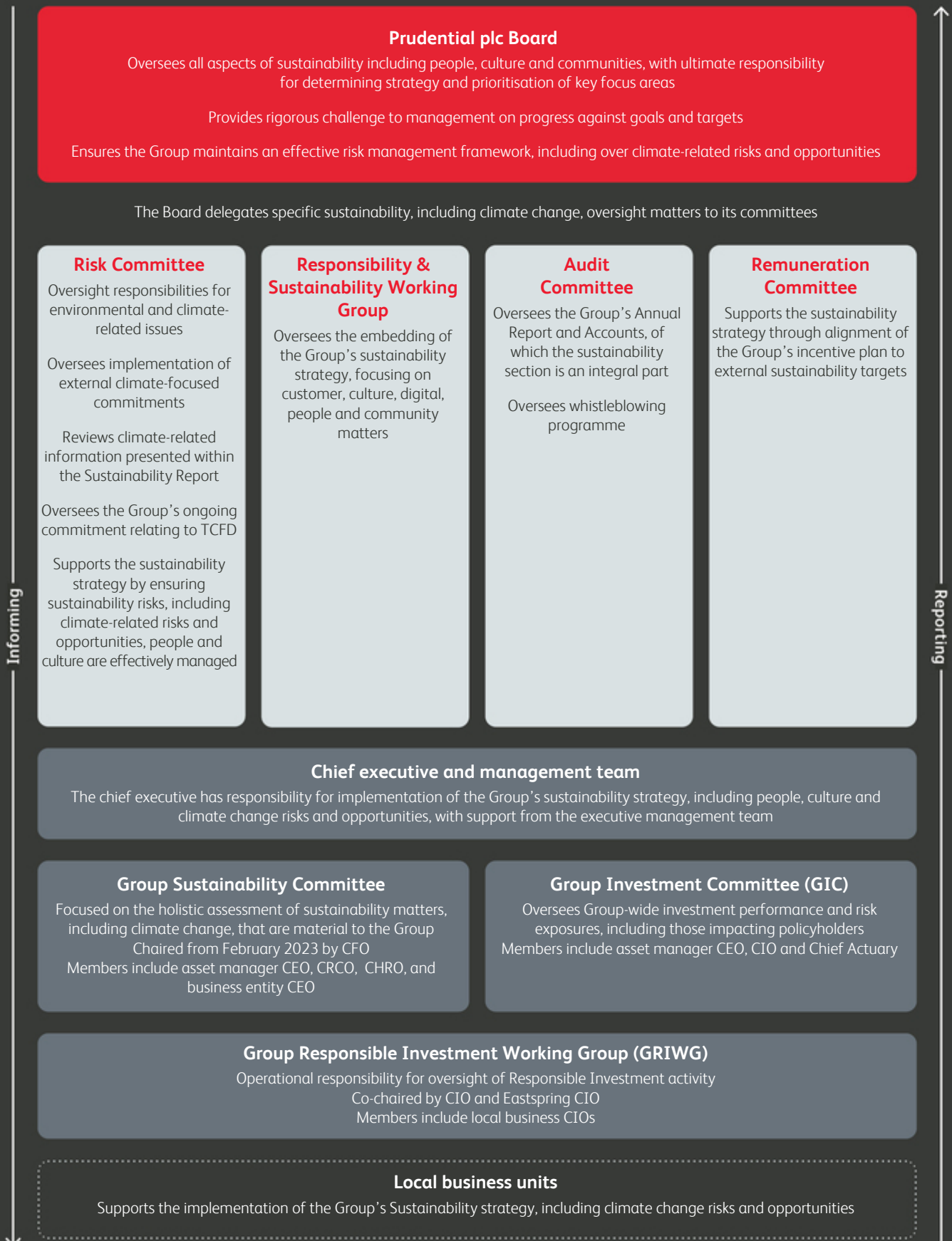
Management oversight

Sustainability activities, including the impacts of climate change, are overseen at a management level by the Group Sustainability Committee. The Chief Financial Officer chairs the Committee, which met five times in 2023. The Committee's members include the Chief Risk and Compliance Officer, Chief Investment Officer, Chief Corporate Affairs Officer, Chief Human Resources Officer and senior representatives from the Group's asset owner and asset management businesses, including the chief executives of Eastspring and Prudential Singapore's business.

One of the Group Sustainability Committee's responsibilities is to oversee the Group's progress towards fulfilling our commitment to report against the recommendations of the TCFD. The Group's policies and procedures in relation to certain sustainability topics are included in the Group Governance Manual.

Sustainability continued

Sustainability governance, including climate change



Challenges and future goals

In 2024 our priority will be to operationalise our new sustainability strategy across our businesses in a way that is proportionate to each market's level of developed sustainability.

We also recognise that we still need to evolve our approach to social sustainability, which is why our immediate priority will be to develop a social sustainability strategy that can potentially contribute to increasing people's access to health and financial protection, while considering diversity and inclusion across our markets.

We will be looking to develop our initial position on biodiversity and nature, evaluating how we can integrate this into our net zero ambition and climate management approach. Through our

philanthropic arm, the Prudence Foundation, we are also setting up a fund to advance efforts on enhancing climate-related health resilience in communities, as well as continuing with our support on researching into the interconnectedness between climate and health.

Our success depends on our people. Our goal is to embed sustainability across our organisation, and build a socially responsible organisation where our people fully understand how to apply their skills and understanding of sustainability into their day-to-day roles and contribute meaningfully to our sustainability ambition. We are also advancing our diversity, equity, inclusion and belonging efforts so that everyone can build a rewarding career and feel a strong sense of belonging.

The table below sets out some of our areas of focus over the next three to five years:

Topic	Description of challenges	Steps we are taking
Climate-related data	The quality and availability of carbon-intensity data is an ongoing challenge, with limited coverage of WACI and financed emissions within our investment portfolio.	<p>Increasing the coverage and quality of our Scope 3 investment book data.</p> <p>Developing specific decarbonisation pathways for engagement and ESG-integration by portfolio managers.</p> <p>Increasing the coverage of our Scope 3 emissions for the rest of our value chain (eg supply chain).</p>
Customers	<p>Products and services aimed at underserved segments including women, minorities, the elderly and low- to middle-income individuals particularly in emerging markets can be broadened and further refined.</p> <p>Insufficient research and data on how climate change will impact individual health.</p>	<p>Developing a social strategy that looks at how we can contribute more to offering inclusive and affordable health and protection products, recognising that protection is itself a measure to enhance climate resilience through adaptation.</p> <p>Continuing to explore the intersection of climate change and adverse health impacts, including through research, thought leadership and product development.</p>
Transition to a low-carbon economy	<p>Inability of emerging markets to meet global decarbonisation thresholds that are set by developed markets due to differences in economic development stage.</p> <p>Lack of industry standards on climate change that address the need to finance brown to green companies.</p>	<p>We have established a new investment target on financing the transition, which operates as an underpin for our portfolio decarbonisation target, as we believe that decarbonisation and the transition from brown to green of our economies are inherently connected.</p> <p>Building internal capabilities and external partnerships to deliver our financing the transition strategy.</p> <p>Continuing to explore innovative opportunities to finance the net zero transition in a just and inclusive manner, working with the private and public sector.</p>
Systems and processes	Today we have a set of 24 local market operations with varying degrees of sustainability processes, systems and governance.	<p>Implementing our new sustainability operating model approach to drive further standardisation of sustainability processes, utilising existing systems where feasible.</p> <p>Improving data governance processes and business ownership of ESG data so that we are assured of quality and completeness across different metrics. We will continue to conduct regular training and collaborate with both internal and external auditors to enhance and improve our processes and controls in 2024.</p>
Markets	Many of our major markets such as India, China, Malaysia and Thailand remain highly reliant on coal and other fossil fuels, making it challenging to balance the interests of stakeholders across both developing and developed markets.	Continuing to work alongside governments, multi-lateral development banks and standard setters so that the interests of all our stakeholders across both developing and developed markets take a balanced approach.
People	Continuing to attract and retain high-quality talent across our markets to support us in our business and sustainability ambitions.	<p>Upgrading talent capabilities, particularly within the areas of customer, distribution, health and technology, by investing in internal talent via targeted development programmes.</p> <p>Strengthening our focus on values-based leadership and aligning reward structures that will help build a culture that is customer-led and performance-driven.</p>

Sustainability continued



Simple and accessible health and financial protection

We believe everyone should have the opportunity to build a more secure future. Through technology, we are developing new solutions to give our customers access to good health services and financial protection. We seek to create more inclusive products that are designed to increase access to protection for underserved customer needs and communities. And we are investing to build the resilience of the communities we serve through initiatives that promote financial education and inclusion, health and safety, and climate adaptation.

2023 highlights

Since launching our microinsurance product PRUKasih Aman in Malaysia in 2022, we have protected

9,700
individuals

from low-income communities and those with disabilities

87%

Customer retention rate

Provided free protection for

18,000+

babies from infectious diseases in the Philippines

2m

students reached and over 66,000 teachers trained through Cha-Ching curriculum (since 2016)

Established partnership benefiting

insured customers in five markets,

offering treatment options for breast cancer with cost certainty

17.4m

Total life segment policies in force

\$13m

invested in community programmes

Nearly

28,000

employee volunteering hours

Delivering partnerships and digital innovation for better health outcomes

To better connect individuals with the best possible healthcare providers and preventative care, we are constantly exploring new ways for technology to help us make a real difference to the experience of our customers in all our markets, and create value for our employees, shareholders and communities. Digital innovation can drive distribution of our products and services, empower the next generation of agents, and strengthen our relationships with existing customers through increasingly personalised and user-friendly access to our offerings.

Our aim is to become a trusted partner to our customers with simple, connected technology journeys that use differentiated propositions for different life stages, all supported by AI and data analytics.

> For more information please refer to the *Delivering partnerships and digital innovation for better health outcomes* section of the *Sustainability Report*.

Developing sustainable and inclusive offerings

The health, protection and savings gap in our markets has been estimated at \$1.8 trillion¹ – meaning many underserved groups miss out on access to benefits, insurance and health coverage, even though they are the people who need them most.

Our social strategy includes our ambition to create more sustainable and inclusive offerings so that we are providing health and financial protection to historically underserved populations, for example, women, minorities and low-income families.

Inclusion at Prudential starts with ensuring access to a diverse and continuously evolving range of products and services designed to meet the ever-changing needs of often forgotten customers, while also serving the needs of the majority. We seek to provide simple health and financial protection for our customers in a way that is accessible and affordable to all people and cultures across the communities we serve.

> For more information, please refer to the *Sustainable and inclusive offerings* section of the *Sustainability Report*.

(1) Swiss Re Institute: The health protection gap in Asia, October 2018.

Meeting the changing needs of our customers

With our customer as our compass, we are committed to developing our products and services to provide protection at every stage of life and meet or exceed expectations. Our stronger customer focus has helped our customer retention rate stay healthy at 87 per cent in 2023.

Customer conduct principles:

- We treat customers fairly, honestly and with integrity;
- We provide and promote products and services that meet customer needs, are clearly explained and deliver real value;
- We maintain the confidentiality of our customer information;
- We provide and promote high standards of customer service; and
- Act fairly and timely to address customer complaints and any errors we find.

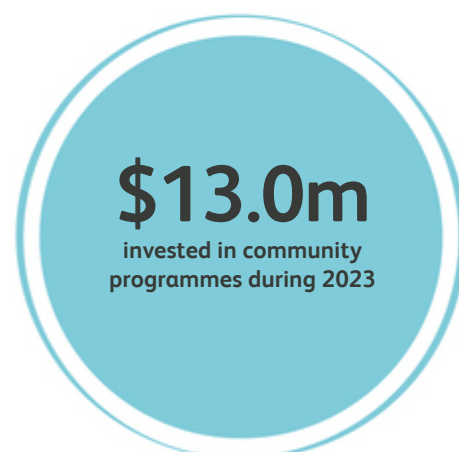
> For more information please see the *Meeting the changing needs of our customers* section of the *Sustainability Report*.

Building resilient communities

Prudential is committed to enhancing the lives of communities across our markets by helping them grow and succeed. Our community investment strategy aligns with our purpose and we invest in developing resilient communities by supporting initiatives that champion financial education and inclusion, health and safety protection and climate adaptation.

Prudential invested \$13.0 million in community programmes during 2023 – an increase from \$12.2 million in 2022 – reflecting our continued commitment to bringing our sustainability goals to life with action and investment. The total figure has been calculated using the internationally recognised Business for Societal Impact (B4SI) Framework and includes cash donations to charities as well as spending on community initiatives in partnership with NGOs, non-profits, social enterprises and other third parties. On top of financial investment, our employees have contributed nearly 28,000 hours of volunteer service in their local communities.

> For more information please see the *Building resilient communities* section of the *Sustainability Report*.



Sustainability continued

Responsible investment

At the centre of our responsible investment approach is our view that the transition to a lower-carbon economy should be just and inclusive. As a large asset owner and manager focused on Africa and Asia, we are keenly aware that emerging markets face unique challenges as they seek to decarbonise. Typically, they are more reliant on fossil fuels than developed markets, while having pressing social and development needs to meet, making it very difficult for them to meet global decarbonisation thresholds.

Our 2022 'Just and Inclusive Transition' paper outlines the issues we want to help address through responsible investment. Currently, most global responsible investment frameworks do not differentiate between emerging and developed markets – applying the same standards and thresholds to both, despite the different risks and challenges they face. This is a barrier to much-needed investment to finance the transition and not in line with the 'common but differentiated principle' of the Paris Agreement.

We want to use the scale and position to drive positive change by ensuring the needs of emerging markets are considered in our investment decisions. Our approach to responsible investment is built around three key themes:

- Financing a just and inclusive transition;
- Decarbonising our portfolio; and
- Mainstreaming responsible investments in emerging markets.

Our efforts are informed by our Climate Transition Plan, which sets out our long-term net zero pledge and interim targets. We have made good progress towards our own decarbonisation, but recognise the opportunities to be proactive in enabling the transition to a lower-carbon economy for emerging markets in the coming years.

2023 highlights

Developed **new internal investment target** on financing the transition, as an underpin to the WACI reduction target

Upgraded our WACI reduction target from **25% to 55%** by 2030

Anchor investor of the **largest equity ETF fund in Singapore** (at time of launch) – iShares MSCI Asia ex Japan Climate Action ETF

Ongoing engagement with the companies responsible for

65% of the absolute emissions in our investment portfolio

875 Corporate engagements conducted in 2023

Eastspring voted in **97.2%** of proxy votes for which it was eligible to vote

87% of Eastspring's international funds (SICAV) received Article 8* status

* Under the European Union Sustainable Finance Disclosure Regulation, Article 8 refers to funds that promote investments or projects with positive or social qualities



Financing a just and inclusive transition

Prudential's efforts and commitment to reach net zero by 2050 are aligned with science and the Paris Agreement. At the same time, operating in a breadth of markets across Asia and Africa demands a considered and dynamic approach to the low-carbon transition. The climate-related risks and opportunities in developed markets with diversified and mature economies are very different to those in emerging markets. This can be seen in the large divergence between countries and regions in their efforts and ability to act on climate change by reducing their carbon footprint.

Some of the countries that remain the most carbon-intensive are those least likely to be able to fund the transition to lower-carbon technologies and practices. There is a lack of industry standards relating to transition finance. In addition, companies operating in emerging markets cannot typically meet the high decarbonisation thresholds set by developed markets as they are at very different stages of economic development. As a result, emerging markets are underrepresented in climate-related investment strategies because existing frameworks have created a bias against investing in them. Shifting capital away from regions where transition financing is most needed hampers not only the climate transition, but also social and economic growth in these regions.



Our strategy on financing the transition seeks to use our capital to advance a just and inclusive transition. It recognises that Singapore and Hong Kong are well placed to lead climate transition in Asia, while emerging markets will take a longer time to transition. For example in developed markets, the focus lies on financing green energy solutions. In many emerging markets in Asia, finding ways to finance the phase-out of carbon-intensive assets, like coal plants, has the potential to achieve significant absolute carbon reductions. Therefore, our strategy also identifies categories across the transition spectrum, including both 'green' and 'brown-to-green' investments, allowing us to pinpoint opportunities to finance companies through their transition.

Decarbonising our portfolio

Local context is a key consideration in our assessment of how best to enable the transition to a low-carbon future. We believe moving capital away from carbon-intensive companies in emerging markets will make it more difficult for these regions to transition to a lower-carbon future. To support a just transition, we acknowledge that we will need to accept a higher initial baseline for some companies and explore and implement a wider variety of strategies to achieve net zero.

In May 2021, we committed to achieving net zero emissions by 2050 for our investment portfolio. We also resolved to reduce emissions intensity within our investment portfolio by 25 per cent by 2025. At the end of 2023, we had successfully reduced the weighted average carbon intensity of our investment portfolio by 50 per cent from our 2019 baseline. Based on this strong progress, in August 2023 we revised our WACI target upwards, committing to deliver a 55 per cent reduction in the carbon intensity of our investment portfolio by 2030, compared with our 2019 baseline.

Decarbonising our portfolio remains a priority, but our progress in reducing our WACI is unlikely to be linear. It can be influenced by a range of market factors that could cause the WACI to rise or fall. We might also decide intentionally to invest in a carbon-intensive company to support and enable its transition plans.

Our strategy to finance the transition aims to actively support carbon-intensive companies on the implementation of their transition plans from brown to green. While this will make our decarbonisation pathway more volatile, our interim targets align to a 1.5°C degree pathway.

Sustainability continued

Mainstreaming responsible investments in emerging markets

Our long heritage of owning and managing assets across Asia and Africa gives us a unique perspective on investing in both developed and emerging markets. It also gives us the opportunity to understand the range of issues and structural challenges these economies face in transitioning to a low-carbon economy. As an active member of global initiatives such as the UN-convened Net Zero Asset Owner Alliance (NZAOA) and the Just Energy Transition Partnership (JETP), we contribute by providing a voice on behalf of these markets.

Corporate engagement

We work closely with our investee companies to support their transition to a net zero business model. Each year, we have committed to engage with the companies responsible for 65 per cent of the emissions related to our investment portfolio, which is aligned to the recommendations of the NZAOA. By addressing key topics – such as improving disclosure, setting net zero and decarbonisation targets, adapting business models, and financing green projects – our goal is to encourage them to accelerate their progress.

Voting to drive change

Voting is a crucial element of being an active shareholder and an important opportunity to influence a company. Eastspring's voting and engagement activities are closely aligned when seeking to change a company's actions or approach.

Eastspring engages Institutional Shareholder Services (ISS), a fellow signatory to the United Nations-supported Principles for Responsible Investment (PRI), to provide administrative assistance in connection with voting proxies. These services include vote processing and recommendations. Eastspring reviews these recommendations and decides whether to follow or vote differently.

Shareholders' long-term interests are paramount, so Eastspring does not always support company management and may vote against management from time to time. In 2023, Eastspring voted on 97.2 per cent of proxy votes in which it was eligible to vote. Eastspring voted with management recommendations on 89.4 per cent of these, and voted against management recommendations on 10.6 per cent of these.

Responsible investment governance

To oversee our responsible investment activities and monitor our progress towards our commitments, we have established a robust governance framework.



In 2024, the Board plans to establish a Sustainability Committee to replace the RSWG.

Responsible investment approach

Managing ESG risks by applying our Responsible Investment Policy is part of our effort to generate long-term returns on assets. The policy sets out clear criteria for screening investment portfolios to identify and assess sustainability-related risks, and processes for ongoing corporate engagement. To address priority themes, such as decarbonisation, human rights and biodiversity, we have identified criteria for excluding companies involved in certain activities.

Looking ahead, we are increasing our focus on preventing biodiversity loss. Our asset managers screen for exposure to palm oil producers that are not certified by the Roundtable on Sustainable Palm Oil (RSPO). We require engagement with consumers to raise awareness around the benefits of paying more for sustainable palm oil to ensure producers in emerging markets have an incentive and funding for their transition to more sustainable production. We also review the portfolio for companies that produce or depend on commodities that contribute to deforestation, particularly timber extraction, engaging with them at least annually to assess their exposure.

Integrating ESG throughout the investment process



> Find out more in the Responsible investment section of our Sustainability Report.

Sustainability continued



Sustainable business

Our mission is to be the most trusted partner and protector for this and future generations – a goal that requires us to embed sustainability throughout everything we do, in every market we serve.

We continued to stay focused on accelerating the pace and scale of our positive impact, ensuring that sustainability principles are at the fore in all our business decisions and throughout our supply chain. Our sustainable business pillar has three priority focus areas: empowering our people, establishing sustainable operations and value chains, and harnessing thought leadership to shape the agenda.

2023 highlights

Over 15,000

Total number of employees

Targeting all people managers to have a **sustainability linked KPI by 2026**

45% women

on Board as of December 2023

Set a **target of 40% women** in Group Leadership Team by the end of 2026

Targeting 75th

percentile on employee Net Promoter Score (eNPS)

'This is Me' partnership to normalise conversation on **mental health, neurodiversity and disabilities**

10% of the total Executive Director's 2024 Prudential Long Term Incentive Plan awards linked to sustainability, of which 5% will be linked to carbon reduction and another 5% linked to diversity

Connecting Health and Climate: Prudential EOS Climate Impacts Initiative and Prudence Foundation's partnership with the IFRC

13,000

suppliers (data as of 30 September 2023)

Reduced global absolute Scope 1 and 2 (market-based) GHG emissions by **22 per cent** compared to 2022.

Empowering our people

To deliver our ambitious strategy, we are mobilising our more than 15,000 colleagues behind our new purpose. We have developed a new people and culture strategy to create an environment where our talent can grow and maintain a high-performance culture for long-term resilience.

Our people want to be part of an organisation that is socially responsible and guided by a strong purpose. To ensure we can keep attracting and retaining talented individuals to serve our business today and in the future, we have strengthened our focus on rewarding high performance and creating an outstanding employee experience.

Our leaders are driven by our values and nurture a culture that fully understands who we intend to be and how putting our people and customers at the heart of everything we do will help us win. We will invest further in developing the capabilities of our workforce, through strategic talent acquisition and internal talent development.

> Find out more in the Empowering our people section of our Sustainability Report.

Culture

An important step towards embedding our new business strategy was the launch of the PruWay – the fundamental values, shaped by our employees, which define who we are and what we represent. The PruWay defines new ways of working with one another and delivering value for all our stakeholders – our people, our customers, our shareholders and our communities.

At Prudential, we are looking to transform our employee experience and ensure our people can visualise their career progression at Prudential,

while developing the strategic skills we need to build the business. This goes beyond performance and considers their future potential.

As stated in the Sustainability governance section earlier, the Board-level Responsibility & Sustainability Working Group (RSWG) oversees sustainability topics including culture and people. In 2023, we switched to conducting shorter employee engagement surveys to enable us to gain regular feedback and respond quickly to emerging issues across markets. This approach allows our people to provide timely feedback and for us to detect early warning signs, track actions and measure impact against key people metrics. A full people survey is scheduled for the second half of 2024.

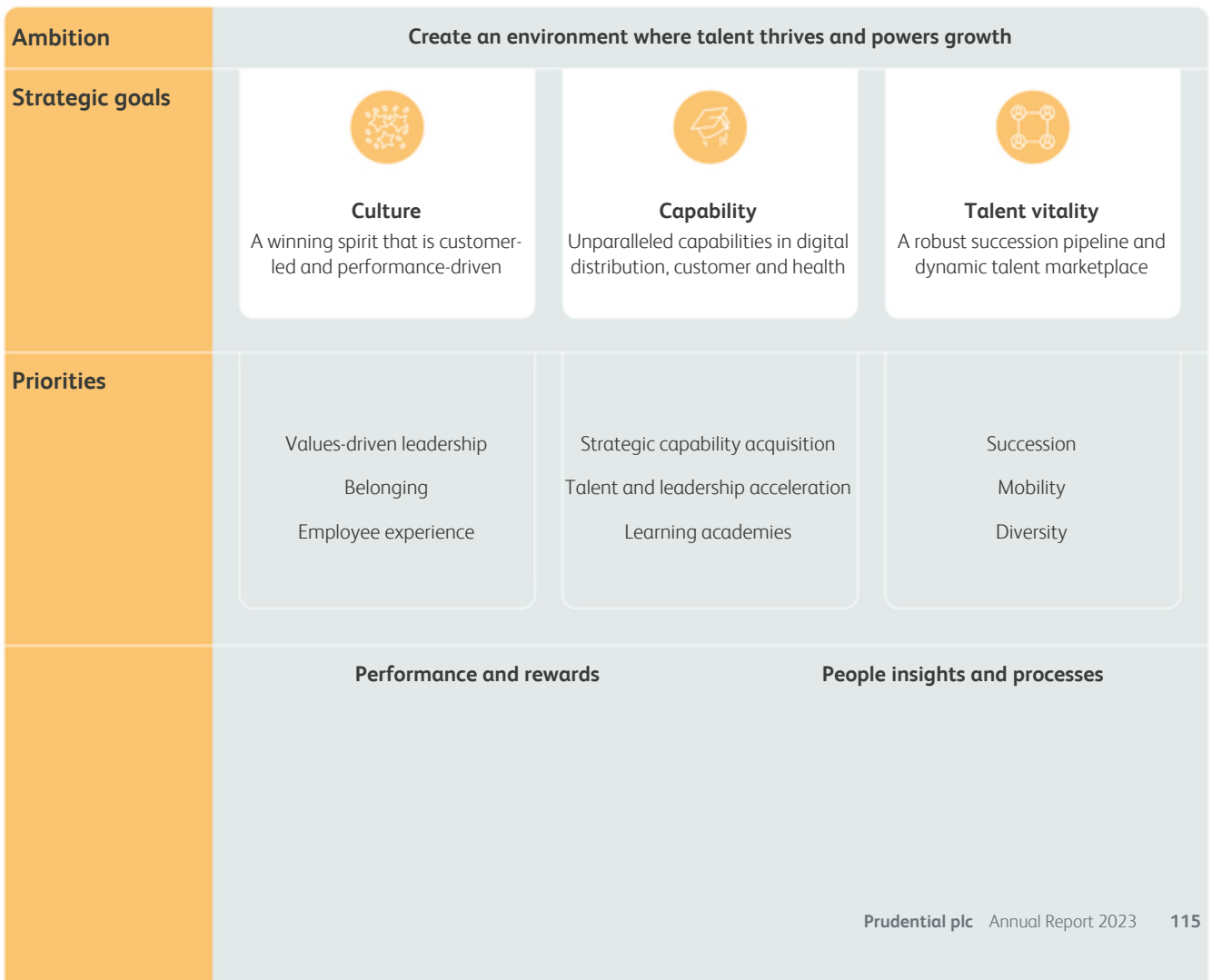
Capability

A priority of our people strategy is to build a pipeline of adaptive leaders with both depth and breadth of capabilities. This will prime our 200 leaders to confidently respond to future challenges, while continuing to navigate existing challenges. To equip our employees with necessary skills for the future, we offer them a learning experience that includes e-learning, in-person and virtual classroom training and mentoring.

Talent vitality

We are focused on building a robust succession pipeline for our CEOs and GLT members to ensure organisation resilience and leadership sustainability. Succession plans for CEOs and GLT members are reviewed regularly and discussed at the Group Talent Council.

For our people, we want them to be able to build long and rewarding careers at Prudential. Promoting internal mobility is one way that we demonstrate our commitment to creating an environment where talented individuals can thrive.



Sustainability continued

For our business to be successful, we celebrate diversity and emphasise inclusion for our people, customers and partners. Our Global Diversity and Inclusion (D&I) Council drives D&I initiatives across our businesses, providing updates to the Board biannually and to the RSWG quarterly.

The D&I Council continues to define our global D&I Strategy and action plan, outlining objectives and initiatives to promote D&I across our businesses. While we have seen progress in our diversity metrics in recent years, we acknowledged that there is room for further progress. The Council continues to be guided by its Charter and upholds the principles of employee empowerment, transparency and community building.

The tables provide an overview of our gender diversity breakdown in 2023.

	Gender diversity – total workforce‡		
	2023*	2022	% change
Female	8,713.1	8,363.4	4%
Male	6,541.3	6,299.3	4%
Unspecified^	3	18	(83)%
Total	15,257.4	14,681.7	4%

* Within the scope of EY assurance – see Basis of Reporting.

		Gender diversity‡		
		2023*	2022	% change
Group Leadership Team	Female	65	39 [†]	67% [§]
	Male	121 [#]	71 [†]	69% [§]
Group Executive Committee (GEC)	Female	2	2	-
	Male	6	6	-
Executive Directors	Female	-	-	-
	Male	1	2	(50)%
Chair & Independent Non-executive Directors	Female	5	4	25%
	Male	5	7	(29)%

^ No specification or information is captured on gender for an immaterial number of our employees. These employees are regarded as 'unspecified'.

‡ Total workforce is reported as FTE, while gender diversity (Board/GEC/Executive Directors/Chair & Independent Non-executive Directors) are reported as headcount to align with internal data definition. Newly created this year, we extended the headcount usage to GLT for diversity reporting to align with internally approved metrics and provided further guidance on the definition such that leaders would only be counted as either GEC or GLT. The overall impact on this change is 0.7 Headcount.

† In 2022, the senior management definition was previously defined as all senior managers who represent the most pivotal roles in our Group below the Group Executive Committee (GEC). It excludes the Chair, Executive Directors, and GEC members. We are unable to restate the 2022 figures because the GLT category was only formed in 2023. From 2024 onwards, our gender diversity figures will be tracked against our newly created definition in 2023.

§ Increase was due to the broadening out of our leadership definition to support the new strategy driving collaboration across the organisation.

GLT members hired by joint ventures are excluded.

For full details on our 2023 diversity metric linked to the Directors' 2024 PLTIP award, please see the Directors' remuneration report.

As of 31 December 2023, the representation of women on our Board was 45 per cent. We are one of only six FTSE 100 companies with a non-white Chair. We have also exceeded the recommendation of the Parker Review for the FTSE 250 to have at least one non-white director on the Board by 2024, with seven of our 11 directors fulfilling these criteria.

> Find out more in the *Empowering our people* section of our Sustainability Report.

Establishing sustainable operations and value chain

Digital responsibility

In our new business strategy, technology is a key enabler for all three strategic pillars: enhancing customer experiences, powering our distribution with technology and transforming the health business model. We are revamping our technology platform, growing our data platform, and using AI to generate commercial value.

Cyber security

Cyber security incidents

	2023	2022
Total number of incidents escalated [†] to the Security incident response team (SIRT)	40	37
Number of incidents confirmed [‡] by the SIRT	3	12
Number of incidents related to ransomware	1	2

† Total incidents reported by employees to the Security Operations Centre.

‡ Total incidents confirmed by the Security Operations Centre.

While the total number of incidents fluctuates year on year, the number of incidents that are confirmed has continued to decline, falling to only three confirmed incidents for 2023. However, it has been observed that global cyber attacks have become more advanced and sophisticated (e.g. the MOVEit data breach). As such, we continue to uplift Prudential's security controls and capabilities to combat these increasingly complex attacks.

Data privacy breach metrics

	2023	2022
Total number of (privacy) data breaches	22	20
Total number of (privacy) data breaches involving health information	2	1
Total number of customers and employees affected by Company's data breaches	2,087,219*	24,250
Total number of customers and employees affected by Company's data breaches involving health information	391	1

* This significant increase is attributed to two specific incidents: a) MOVEit software data breach publicly disclosed in June 2023 resulting in 2,023,314 records being affected in Malaysia's life entity; and b) 59,000 records affected in an incident where a vendor sent information belonging to one Prudential business to another Prudential business.

The top three data breaches were related to unauthorised disclosure of personal data by staff, unauthorised telemarketing by financial consultants, and data breaches originating from bank partners or vendors. One data breach incident involved health information that affected customers and employees.

Compared to 2022, the total number of data breaches and breaches involving sensitive personal information did not significantly change. However, the total number of customers and employees affected by the Company's data breaches significantly increased due solely to two major incidents in the notes above. Both were caused by vendors and are part of the recognised supply chain risk that continues to be a priority area for improving security and privacy controls.

The privacy controls put in place continue to be effective, but further enhancement in managing employees and vendors is a key initiative for 2024. Regular internal and external privacy and security audits are carried out as and when needed, and we work closely with regulators to ensure this works effectively. We conduct monthly scanning of our external environment for vulnerabilities, and all public-facing applications undergo penetration testing, including vulnerability assessments as part of the application launch. They are also regularly reviewed as part of our governance process.

Privacy

As a business with a large global footprint, Prudential must navigate a number of privacy laws. Our Group Privacy Policy sets out the standard of privacy expected across our businesses and ensures that we handle personal data in compliance with regulatory requirements and in line with customer and employee expectations, while also meeting the demands of a competitive commercial organisation. For more information on our data and privacy policy, please visit our Company website: Policies and statements – Prudential plc.

Responsible procurement practices

We endeavour to make sure our suppliers apply the same high standards that we aspire to achieve, which is driven by our Group Third-Party Supply and Outsourcing (GTPSO) Policy. This forms part of our Group Governance Manual (GGM) and is a core part of our system of governance. The policy sets out our position on supply chain management, outlining our approach to due diligence, selection criteria, contractual requirements and ongoing monitoring of our supplier relationships.

Responsible environmental practices

To help improve the lives of our customers and communities, we actively seek to reduce our environmental impact. We measure our environmental performance so that we can understand our impact and take appropriate actions.

The way we manage our property footprint aligns with our Group Environment Policy, which covers environmental laws and regulations for emissions, energy consumption, water use, waste disposal, environmental supply chain management and the application of risk management principles. During 2023, all our local business units were issued with updated environmental roadmaps, detailing their Scope 1 and 2 emissions, their 2030 target, and the actions that businesses have committed to over the next three years to reduce their emissions.

Our global absolute Scope 1 and 2 (market-based) GHG emissions were 14,426 tCO₂e, down 22 per cent from 2022, primarily driven through the benefit of green power and renewable energy procurement. Electricity use in our buildings is the largest contributor to our operational footprint at 12,318 tCO₂e (market-based), making up 85 per cent of our total Scope 1 and 2 emissions.

We continue to focus on driving down our operational energy consumption to reduce emissions through a range of initiatives and policies. When creating new working environments, we take the opportunity to implement best practice environmental performance features from the outset. These include LED lighting, automated lighting controls, lighting zones and climate controls.

> *Read more in the Responsible environmental practices section of our Sustainability Report.*

Responsible working practices and health and safety procedures

Our Group Resilience Policy and Health and Safety Standards is integral to the way we manage operations in all business units. We operate a risk-driven health and safety management process that seeks to ensure the best working environment. We prioritise the prevention of injury and ill health and the reduction of health and safety risks to employees, contractors, visitors and any others who may be affected by our business operations.

We aim to ensure that our health and safety management processes meet and exceed regulatory and statutory requirements, and we follow best practice where possible.

> *Read more in the Establishing sustainable operations and value chain section of our Sustainability Report.*

Harnessing thought leadership to shape the agenda

We are actively involved in advocating for emerging market sustainability and climate-related concerns on a global level, beyond exploring the role that investors can play in enabling a just and inclusive transition. We also engage with policy and regulatory stakeholders to promote awareness of sustainability issues, focusing on regulatory reform, blended finance, alignment of standards and taxonomies and nature preservation.

One focus of our research and advocacy efforts is the intersection of climate and health. Climate change has the potential to significantly impact human health, particularly from air pollutants and increasing temperatures. Through research partnerships, we strive to help people around the world prepare for such changes and better protect their health and livelihoods.

> *Find out more in the Harnessing thought leadership to shape the agenda section of our Sustainability Report.*

Sustainability continued

Good governance and responsible business practices

Corporate governance

Our business is overseen by strong governance from our Board of Directors and throughout our Group and local business management structures. At all levels of the Company, managing our business responsibly is paramount and we ensure that our people are clear about the standards of behaviour we expect and how these inform their work. We have clear policies and systems in place to ensure high standards on fundamental issues such as anti-bribery and corruption, fighting financial crime, responsible tax practices, our expectations of our suppliers, the upholding of human rights, and supporting employee rights and wellbeing.

Our Group Governance Manual (GGM) sets out our framework for ethical business practices, governance, risk management and internal control. We run a comprehensive mandatory training programme covering our employees and contingent workers across the Group that covers the key policies that are referenced in the Code of Conduct.

Prudential is committed to ensuring that slavery, human trafficking, child labour and any other form of human rights abuse have no place in our Group or in our supply chain of close to 13,000 suppliers globally. Our most recent Modern Slavery Transparency Statement, issued in June 2023, elaborated the steps we are taking to identify, monitor, report and proactively mitigate any modern slavery risks in our supply chain in support of the UK activities of Prudential Plc and its subsidiaries in scope of the UK Modern Slavery Act 2015. Our focus in 2023 was on increasing awareness and training for modern slavery and broader human rights issues within our supply chain across our procurement and risk teams in the Group.

It is the Group's policy neither to make donations to political parties nor to incur political expenditure, within the meaning of those expressions as defined in the United Kingdom Political Parties, Elections and Referendums Act 2000. The Group did not make any such donations or incur any such expenditure in 2023.

> Find out more in the Good governance and responsible business practices section of our Sustainability Report.

