

3 Strategic Pillar: Building social capital

We are committed to building both our own human capital and our social capital with our broader stakeholders. We do this by promoting diversity in representation and thought, and fostering a culture of inclusion and a sense of belonging within our organisation. As an organisation, we depend not only on the trust of our people, but also the trust of the external world. As we develop our digital capabilities, we prioritise digital responsibility throughout our organisation. Our focus on the needs and interests of our users is central to our investment in new technologies, shaping how we interact with them and handle their personal data as our capabilities progress.

Diversity, inclusion and belonging

We are committed to building our human capital, seeking to empower our people and unlock their potential. We do this by striving for diversity in representation and thought, and fostering a culture of inclusion and belonging within our

organisation. During 2020, we launched a new inclusive purpose statement: We help people get the most out of life.

Diversity and inclusion strategy

In 2020, we established a Global Diversity & Inclusion (D&I) Council, co-chaired by our Group Chief Financial Officer and Chief Operating Officer and Group HR Director, with representation from colleagues across the Group. The Council replaces regional advisory committees and groups. During 2020, we also appointed our first Group Diversity & Inclusion Director to help support our ambition in this area. The D&I Council is responsible for defining our global D&I strategy and supporting programmes, promoting and championing D&I initiatives in respective business units and challenging the organisation when progress is limited. The Council reports to the Nomination & Governance Committee twice a year.

Our previous Group-wide D&I focus placed emphasis on attributes of diversity such as gender, ethnicity, nationality and experience. During 2020, the Group has also focused on inclusion, which represents the extent to which employees feel valued, respected, encouraged to fully participate, and able to be their authentic selves.

The Council has established a global D&I Charter with the goal to empower employees and create a sense of belonging by respecting and appreciating differences. The Charter is aligned to our purpose and states that the Council will deliver our purpose by creating a culture in which diversity is celebrated and inclusion assured, for our colleagues, customers and partners.

The D&I Charter makes the following commitments:

- D&I approach to be clear and public;
- Establish inclusive leadership at all levels, role modelled from the top;
- Illustrate how inclusive leadership drives innovation and supports greater connectivity;
- Inclusion to be integral in the Prudential values which guide behaviours;
- Reshape our recruitment, reward and recognition programmes to eliminate bias;
- Engage suppliers and corporate partners committed to inclusive practices; and
- Product offerings which address the diversity of our customer needs.

The D&I Charter also outlines our Group D&I Policy, which aims to actively promote employee diversity and provide equal opportunities to all who apply for and those who perform work within our organisation, including our Directors. The policy applies to all of our business units and promotes diversity irrespective of sex, race, age, ethnic origin, social and cultural background, marital or civil partnership status, pregnancy, maternity and paternity, any gender reassignment, religion or belief, sexual orientation, disability, or part-time/fixed-term working arrangements. The policy also promotes diversity of experience, skill sets and professional backgrounds and is reviewed annually by our Group HR Director. We give full and fair consideration to applications for employment made by disabled persons and make appropriate arrangements for continuing the employment of, and arranging training for,

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employees who have become disabled. We seek to promote the training, career development and progression of disabled persons, making appropriate adaptations where required. Chief Human Resource Officers across our business units are responsible for the implementation, monitoring and review of the policy locally and, as part of the management of the Group Governance Manual, each business unit confirms to Group HR that it has complied with all of our HR policies, including the D&I Policy.

In line with our new D&I Charter, a number of initiatives have taken place during 2020 to improve inclusivity at Prudential. We have conducted a review of recruitment processes, with a new Group Recruitment Policy embedding D&I measures to be introduced in 2021. We are working to mitigate bias in recruitment practices by reviewing the language used in job descriptions and by using more objective selection tools. During 2020, Jackson doubled the period of paid parental leave available to all new parents and quadrupled the benefit to cover adoption expenses. Parental leave arrangements in Asia were also reviewed, with changes including an increase in the period of paid leave by a third and the introduction of paid leave when an employee becomes a parent through adoption or surrogacy. Our HR function has formed a working group with our Risk function to more visibly encourage 'speaking up' and to find constructive ways to call out non-inclusive behaviour. This complements our new Consensual Relationship Policy and Discrimination and Harassment Policy, both of which apply from January 2021. These policies reflect our continuing commitment to a professional and supportive working

environment, where everybody is treated fairly, has equal opportunities, and is respected and valued for their contributions to our Company.

D&I performance

As a signatory to the HM Treasury Women in Finance Charter since 2016, we have a target of 30 per cent women in senior management by the end of 2021. At 31 December 2020 this figure was 32 per cent. The Hampton-Alexander Review set recommendations in 2016 for FTSE 350 companies to achieve a minimum 33 per cent target for women on boards and in the two layers of leadership below the board by the end of 2020. At the end of 2020, 29 per cent of our Board was made up of women.

While we did not meet recommendations of the Hampton-Alexander Review as at 31 December 2020, Shriti Vadera replaced Paul Manduca as Chair on 1 January 2021 and Chua Sock Koong and Ming Lu will be joining the Board in May 2021. With these changes, following the retirement of Kai Nargolwala at the AGM, the representation of women on the Board will increase to 36 per cent. We have met the recommendation of the Parker Review to have at least one director from an ethnic group background on the Board. While our diversity figures have improved year-on-year, we recognise that we have more to do in this area. As such, during 2021 we will establish new diversity targets and our local business units will define their own targets and plans to meet these objectives.

During 2020 we again submitted responses to the ShareAction Workforce Disclosure Initiative and the Bloomberg Gender Equality Index, being listed on the 2021 index for the first time.

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Case study

Defining inclusive leadership behaviours

During 2020, as part of its commitment to establish inclusive leadership at all levels, the Global D&I Council held a workshop with representatives from across our businesses in order to define our inclusive leadership behaviours. The workshop concluded with a panel session with external speakers, entitled, 'Leaders make change happen'. Our inclusive leadership behaviours are to:

- Nurture inclusion – seek out and embrace diverse perspectives;
- Cultivate transparency – provide visibility and display authenticity and vulnerability;
- Actively sponsor – recognise, develop and support talent;
- Drive accountability – take personal responsibility for behaviours and outcomes; and
- Demonstrate care – demonstrate genuine care and interest in others.

These behaviours have been embedded into our leadership development frameworks and senior leadership recruitment processes, as well as into our new values. During 2021 we will continue to reinforce inclusive leadership and behaviours in development and training interventions to help our leaders and people to understand and embed the behaviours we wish to promote. We will also focus on embedding inclusive leadership traits into performance management objectives to reward the behaviours that strengthen belonging and enhance inclusion. Inclusive leadership behaviours will also form a part of our assessment of candidates during the recruitment process. □

Prudential headcount as at 31 December 2020

Gender diversity: senior management

	Male	2020	Female
	68%		32%
	72%	2019	28%
	71%	2018	29%
	75%	2017	25%
	83%	2012	17%

Gender diversity: all employees

Headcount	Total	Male	Female	Non-binary	Undisclosed ⁵	Unspecified ⁴
Chair¹ and Independent Non-executive Directors	11	7	4	0	0	0
Executive Directors	3	3	0	0	0	0
Group Executive Committee (GEC) Includes Executive Directors	7	6	1	0	0	0
Senior Managers² Excludes the Chair ¹ , all Directors and GEC members	114	77	37	0	0	0
Whole Company³ Full Time Equivalent Includes Chair ¹ , all Directors, GEC members, Senior Managers	18,687	8,182	10,326	5	28	146

Notes

- Chair has since been replaced with a female starting 1 January 2021.
- The definition of Senior Managers in 2020 has changed and the number of Senior Managers has doubled compared to 2019 after the recategorisation. The 2020 Senior Managers definition includes the local business unit CEOs, Chief Officers and other business critical staff.
- Excludes Prudential Corporation Asia Joint Ventures.
- No specification or information is captured on gender for an immaterial number of our employees. These employees are recorded as 'unspecified'.
- In some of our businesses, we provide our employees with the option to not disclose their gender. For these employees, gender is recorded as 'undisclosed'.

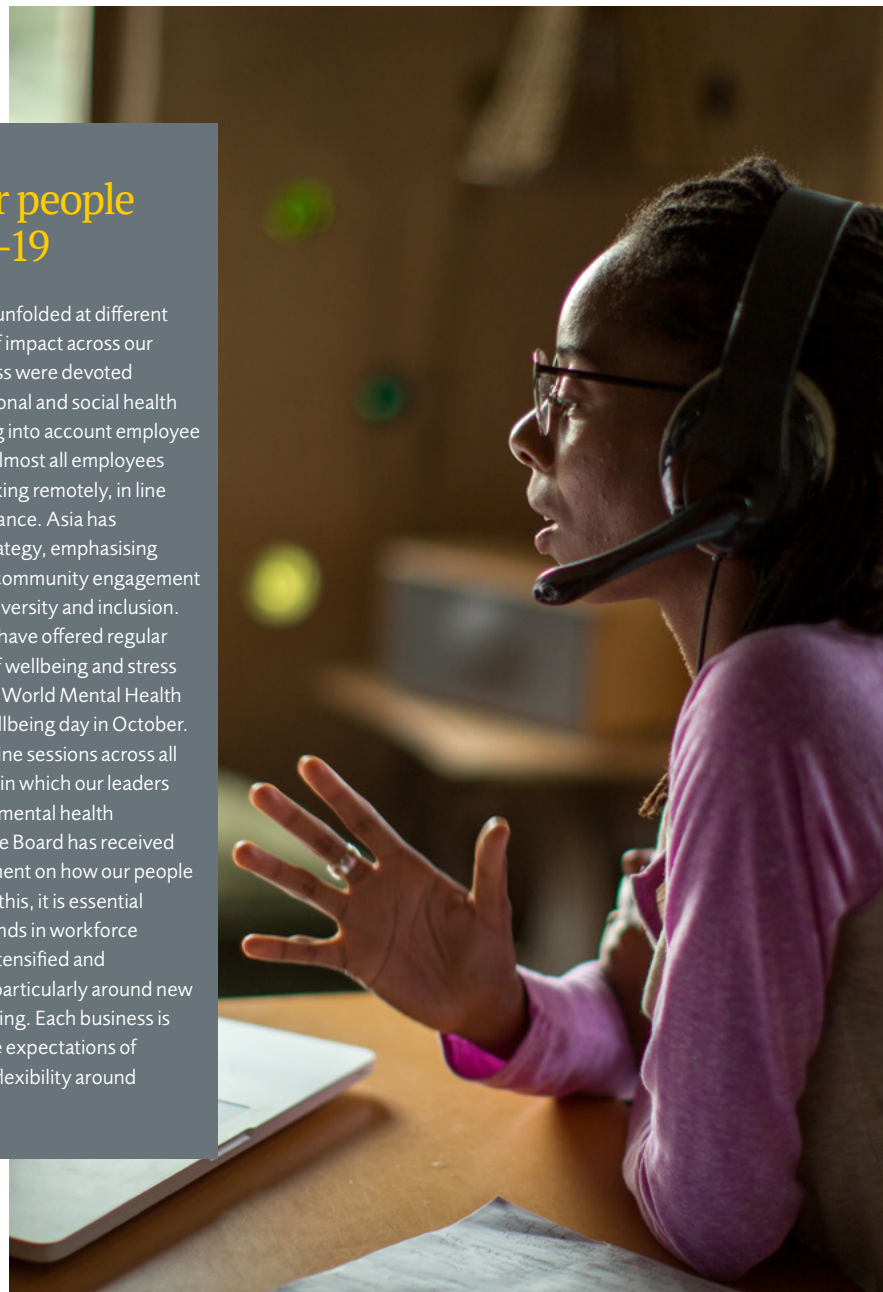
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Case study

Supporting our people through Covid-19

While the Covid-19 pandemic unfolded at different times and with varying levels of impact across our markets, all parts of the business were devoted to ensuring the physical, emotional and social health and safety of our people, taking into account employee preferences during this time. Almost all employees spent at least part of 2020 working remotely, in line with local restrictions and guidance. Asia has established a mental health strategy, emphasising virtual connections, as well as community engagement as part of our commitment to diversity and inclusion. Jackson and our London office have offered regular sessions on different aspects of wellbeing and stress management. To coincide with World Mental Health day, we held our first global wellbeing day in October. This consisted of a series of online sessions across all time zones, including a session in which our leaders shared their own stories about mental health challenges they have faced. The Board has received regular updates from management on how our people have been supported. Beyond this, it is essential that the Group reacts to the trends in workforce expectations that have been intensified and accelerated by the pandemic, particularly around new and more flexible ways of working. Each business is exploring how we can meet the expectations of existing and future staff about flexibility around schedules and location. □



Due to Covid-19, activities of the affinity networks at Prudential in 2020 were limited, although some key events did take place. Across various locations, Prudential Corporation Asia's PruPride network once again hosted a Pink Day in October, with active participation in Hong Kong, Vietnam, Taiwan, Cambodia and Thailand. A women's network event with a virtual panel session in September, attended by 185 colleagues on the topic 'Leaders make change happen', was hosted by Group Human Resources Director Jolene Chen and Non-executive Director Alice Schroeder. Our new Board Chair, Shriti Vadera, hosted an in-person networking event in November with Eastspring colleagues in Singapore. Jackson's business resource and affinity groups (BRAGs), each supported by one or more executive sponsors, continued their activities through the year: Pride (LGBT+); VIBE (Vision in Black Excellence); Jackson Young Professionals; Empower (women's network); Enable (for disabled people); and Associates-in-motion (for pre-retirees). A focus for 2021 is to enhance our governance procedures and structures for affinity networks to support them through a global engagement programme to enhance employee engagement globally, regionally and locally.

Racial justice – Jackson's response to the killing of George Floyd

In the aftermath of the killing of George Floyd in late May, the US experienced protests that raised awareness and heightened discussion of issues related to racial bias, structural racism and social justice. The ramifications of these events have

broadly impacted society, including the business community and Jackson directly. Jackson's leadership has actively engaged with associates on these issues and continues to engage on this issue.

In the week following the killing of George Floyd, Jackson's D&I Advisory Council held meetings with the Visions in Black Excellence (VIBE) affinity group and senior leaders to discuss the impact on associates and Jackson's response. Jackson-wide communications from Jackson's CEO reinforced the message of 'One Jackson' and encouraged associates to support each other. Jackson hosted a series of all-associate panels and training opportunities, including a 'Listening to our Peers' panel to hear associates' experiences with racism. Jackson and VIBE also held a celebration for Juneteenth and the PRIDE affinity network hosted a discussion with Liliana Reyes, a Latinx, transgender woman and civil rights activist.

Jackson also introduced two training courses that were mandatory for all associates. The first addressed the stereotype threat that exists when actions, conscious or not, contribute to persistent racial segregation. The second addressed the impact of affinity biases that influence workplace choices, based on perceived similarities and differences.

Jackson also made charitable contributions of \$250,000 to NAACP Lansing Chapter, \$100,000 to Urban League of Middle Tennessee, and \$100,000 to Facing History and Ourselves in Chicago. This investment signals Jackson's

commitment to local philanthropy, which presents an opportunity to further engage Jackson's affinity groups as partners in equitable community involvement.

Employee engagement

Engagement with our people is a key priority for Prudential and the Board. Two of our Non-executive Directors, Kai Nargolwala for Asia and Africa and Tom Watjen for the US and the UK, were appointed to represent the interests of our people, a duty which they discharged through a range of interactions with staff during 2020. While the Covid-19 pandemic limited opportunities for our Non-executive Directors to interact with our people, a number of face-to-face meetings in small groups took place. Non-executive Director engagement was supplemented with virtual events and our Non-executive Directors also met colleagues through an array of remote events, including the Asia Virtual Regional Conference, staff town halls and meetings of the Jackson Diversity & Inclusion Council and the Global D&I Council.

Following Kai Nargolwala's retirement as a Non-executive Director at the conclusion of the 2021 Annual General Meeting and the planned separation of the Jackson business, the Board intends to transfer responsibility for workforce engagement activities to its newly established Responsibility & Sustainability Working Group, which is expected to operate until the 2022 Annual General Meeting. As part of this, it will also consider the best method for employee

engagement in the longer term, to ensure this is tailored to the culture and strategic priorities of the refocused Group following the planned separation of the Jackson business, and make a recommendation to the Board for implementation following the 2022 Annual General Meeting.

Global employee survey

We are committed to building a culture that is purpose-led, customer-focused, and digitally-savvy. In May 2020, we conducted an engagement survey to establish a baseline of cultural health and validate our proposed purpose and values in a bottom-up manner.

The survey was conducted using an industry-leading employee engagement platform that provides a range of surveys and broad global benchmarks across industries. More than 11,400 employees from Asia, Africa and the UK participated in the survey, producing a 95 per cent response rate. In the US, Jackson carries out its own employee survey and was therefore not included in this survey.

The engagement survey covered topics including leadership, communication, innovation, career and work-life balance. The survey design was based on academic research and good practice among organisational psychologists. The survey found that 85 per cent of colleagues are proud to work for Prudential. Areas for improvement include communication, collaboration, feedback and work-life balance.

Following the survey, briefings were conducted for the Group Executive Committee as well as the two Non-executive Directors responsible for workforce engagement. The Board received an update on the survey results in July 2020 and summary briefings were provided to stakeholder groups across the Company. Each local business unit has now undertaken detailed action planning in response to its results. Group-wide actions include the launch of a science-based mental health and wellbeing app, the Collaboration Jam (see case study) and the strengthening of Speak Out, our Group-wide whistleblowing programme.

Another global employee survey was undertaken in January 2021 to help assess the effectiveness of actions taken during the year and to highlight our focus areas for 2021. We have made notable progress in many areas, including learning, feedback and recognition, and diversity and inclusion. Collaboration and communication was our most improved factor, up by 7 percentage points.

Leadership and talent development

To ensure appropriately targeted leadership and talent development initiatives, we define various leadership and talent segments across our Group. Our senior leaders continue to play a critical role in driving strategic initiatives, which advance the Group's strategy and culture across our markets, business units and functions. To future-proof our success in an increasingly digital environment, we have redefined the leadership capabilities that we

need to drive the business, focusing on inspiring followership when teams work both remotely and from an office; fostering innovation by enabling disruption while ensuring psychological safety; delivering at pace and scale through digital and agile practices; and developing sustainable commercial strategies to deliver aggressive business growth with social responsibility.

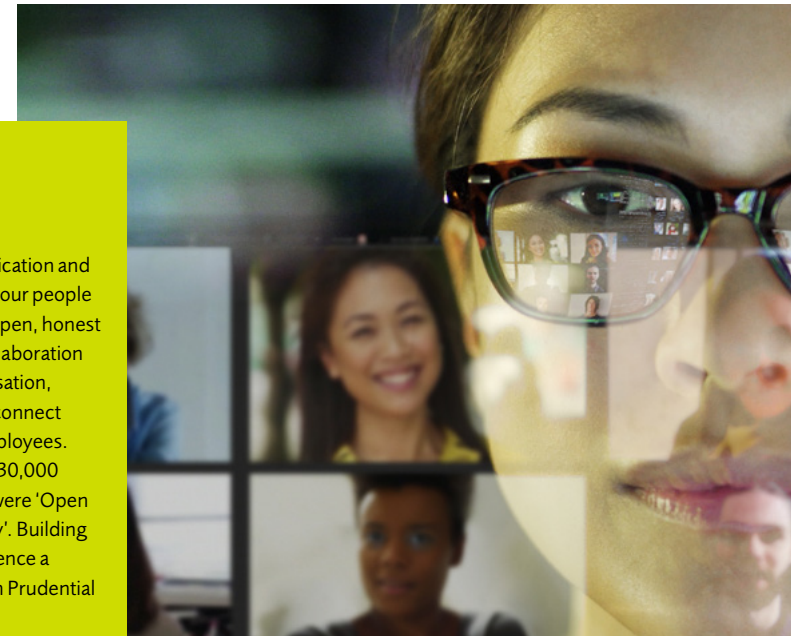
Within the leadership community, we focus on the Executive Council and the Senior Management Teams (SMTs). The Executive Council is a small group of individuals holding pivotal Group roles and with key capabilities for our future success. During 2020, we held virtual workshops with this group on positive resilience, creating psychological safety and sustaining team engagement in a remote setting. For the SMTs, we held culture workshops to mobilise teams around our shared purpose and to deepen trust and collaboration. We also provided a new performance coaching programme for 120 of these leaders to specifically develop their coaching skills for remote settings, to help them better engage and empower their teams.

We have focused on capability building within our key talent pools. We conduct an annual talent review and identify successors for executive and senior leadership roles. To support this, during 2020 we defined critical success profiles for senior leader roles. These were used to design our new Executive Development Centre, which will specifically target the business unit CEO pipeline.

Case study

Collaboration Jam

Our global employee survey highlighted employee communication and collaboration as an area for improvement. To further engage our people in defining our values as well as to signal our intent to foster open, honest and two-way dialogue across the Company, we hosted a Collaboration Jam in September 2020. A three-day inclusive online conversation, the Collaboration Jam provided a platform for colleagues to connect and co-create solutions for the issues that matter most to employees. More than 5,400 colleagues participated, resulting in nearly 30,000 comments and posts. The most popular discussion threads were 'Open Conversations', 'Listening to Others' and 'Change and Agility'. Building on this activity and the progress made to date, we will commence a three-year journey to embed the desired culture and position Prudential as a place where people can connect, grow and succeed. □



The critical success profiles have also been used to adapt our existing assessment centres across our talent pipeline.

For those identified as our most strategic talent pool, typically those who are currently SMT and have potential to grow to larger roles and be successors to our Group Executive Committee roles within five years, we have focused on ensuring they have exposure to Group strategic projects and expanded role responsibilities, and are provided with specific, tailored development interventions, where appropriate.

In January 2021, we launched a three-year Sponsorship Programme matching our most senior leaders to protégés, identified through our talent review process, enabling a more diverse talent pipeline to gain visibility and be considered for stretch opportunities and roles. During 2021, we also plan to provide an experiential culture leadership journey to around 200 of our senior leaders, with the aim of developing the behaviours needed to help build an inclusive culture and to create a space where our values can be actively demonstrated by everyone.

We have also taken steps to deepen our functional talent pipeline and to accelerate the development of potential successors. Actions taken include the creation of a CFO development programme to accelerate identified business unit CFO successors and the provision of role expansion and enrichment opportunities for senior leaders in Group Digital. Jackson has focused on ongoing leadership capability assessments for its identified successors and high-potential population.

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Where internal successors are not apparent, we aim to attract and retain the best talent across industries, irrespective of generation, culture or gender. We have further adapted our hiring practices to minimise unintentional systematic bias. Practices such as artificial intelligence-assisted job description/advertisements, use of psychometrics to evaluate fit to purpose and values, criterion-based interview methods with diverse panels, and a diverse candidate slate have all been introduced in key markets with wider roll-out through the introduction of our Recruitment Policy in early 2021.

We have continued to support and encourage mobility in our organisation to facilitate the sharing of knowledge and experience. Notwithstanding challenges from Covid-19, more than 100 people moved between our businesses in 2020. Specifically in our insurance growth markets, where this is a strategic priority, we held a virtual talent expo to introduce each business and its job opportunities.

In 2021, we will focus on continuing to broaden our talent pipeline and on building an environment where talent can most easily access the opportunities that match their aspirations. With increasing digitalisation and the need for digital skill sets and capabilities, we are providing our people with comprehensive training and learning opportunities to help them upskill, cross skill, and even reskill themselves to maximise their potential.

Performance and reward

We structure our reward arrangements to attract, motivate and retain high-calibre people. Our people contribute to the success of the Group and are rewarded accordingly. 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.

Our UK business, Prudential Services Limited, has recently reported its 2020 UK Gender Pay Gap data and details can be found on the Group's [website](#). Three of the four gender pay gap figures have increased in 2020, largely driven by the demerger of M&G plc, which saw a number of women in senior roles transfer to M&G. The pay gap remains volatile year-on-year due to the small number of colleagues employed by Prudential Services Limited, which makes the calculation sensitive to any changes in roles. While female representation in our leadership roles has increased from 25 per cent in 2017 to 33 per cent in 2020 in our London Head Office, the continuing pay gap reflects the fact that we have more men than women in leadership roles.

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.

The Jackson High Five Recognition Program enables individuals to recognise their colleagues in areas of creativity, empowerment, execution, impact, investment in relationships and respect. In our London office, Angel Court, the Prudential Stars awards enable individuals to nominate colleagues, recognising examples of exceptional contributions, specifically in the areas of delivering synergy, adding value, fostering innovation, demonstrating stakeholder focus and maintaining risk awareness.

We are committed to paying the London Living Wage to permanent and temporary employees, and to contractors who regularly work at our premises in the UK. We also believe in the importance of giving employees the opportunity to benefit from the Group's success through share ownership, and operate share plans for employees in the UK and Asia. This includes the award-winning PruSharePlus plan, which enables employees in Asia to share in the longer-term success of the business and actively encourages share ownership and engagement. Similar all-employee share plans operate in the UK.

Executive remuneration

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.

Extensive information on executive remuneration is provided into the Directors' remuneration report within the Annual Report.

In light of the Covid-19 pandemic, the Executive Directors agreed to voluntarily forgo their 2020 salary increases. On 1 April 2020, Executive Directors' salaries were reduced to their December 2019 level. In May 2020, Executive Directors' pension benefits were reduced from 25 per cent of salary to 13 per cent of salary, aligning Executive Directors with the employer pension contribution available to the UK-based workforce.

As part of the three-year cycle, we presented an updated Directors' Remuneration Policy at the 2020 Annual General Meeting and received the support of 95.8 per cent of shareholders in a binding vote.

In order to strengthen the community of interest between executives and other shareholders, remuneration is linked to sustained performance over the longer term. For example, 40 per cent of Executive Directors' bonus is deferred in shares for three years. Executive Directors are required to meet shareholding guidelines and a two-year holding period applies to long-term incentive awards in addition to the three-year performance period. The 2020 Directors' Remuneration Policy requires departing Executive Directors to retain a substantial interest in the Company's shares for two years after they leave the Board.

To further increase transparency of executive remuneration and its alignment with the pay of other employees, we published our CEO pay ratio one year in advance of the disclosure becoming a requirement under the UK Companies (Miscellaneous Reporting) Regulations 2018 in the 2018 Directors' remuneration report. Further information on our CEO pay ratio is detailed in the Directors' remuneration report within the Annual Report.

Digital responsibility

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

Digital responsibility and Pulse

We are committed to providing robust security protection over both our Pulse app and customer data. Using the Monetary Authority of Singapore's regulations as a leading standard, we have developed a master set of security controls, from which the core security features have been integrated 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. Our Pulse ecosystem relies on partnerships

with a range of third parties. All business partners we engage go through a detailed due diligence process to ensure that they meet our high standards on data security and protection requirements. We conduct information security and privacy impact assessments as part of the third-party management process to ensure that robust security and privacy controls are in place for all of our ecosystem partnership engagements.

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. More information about our approach to privacy is available below.

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, which includes contact details, facial recognition information for log-in and fitness information from the user's wearable devices. Health-related information is collected by our health partners (such as Babylon) directly and Prudential will

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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.

Information security

Information security is rated as a principal risk in our business, demonstrating our continued commitment to securely managing the information our customers entrust to us.

During 2020 we embedded a single Group-wide information security team leveraging skills, experience and resource globally via a 'centres of excellence' model. This new model supported increased collaboration and sharing of skills across the whole Group.

The global model has allowed us to consolidate and rationalise information security technologies and processes across the Group, enabling security services to become more consistent and effective. This is critical to our business as it ensures the appropriate assessment, management and assurance of all third parties with the potential to manage or impact Prudential Group data or systems.

A refreshed Global Information Security Policy came into effect in 2020 and was applied to all Group business units to ensure consistency in processes. The policy is mapped to numerous international and local standards including:

- ISO27002;
- NIST Cyber Security Framework;
- The New York Department of Financial Services Cybersecurity Regulation;
- The Monetary Authority of Singapore Guidelines on Technology Risk Management;
- The Hong Kong Insurance Authority Guideline on Cybersecurity; and
- The Bank Negara Malaysia Risk Management in Technology Standard.

This supports our global approach to security and our commitment to protecting the data entrusted to us by customers across our global footprint. The policy is also supported by a suite of technical standards. Our 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.

Oversight and governance of information security

The Group-wide Information Security and Privacy Committee defines and provides governance and the risk management framework for information security risks across the Group. This Committee meets at least quarterly and is a sub-committee of the Group Executive Risk Committee (GERC), chaired by the Group Chief Risk and Compliance Officer.

As a standing member of the GERC, the Group Chief Information Security Officer (CISO) provides regular updates to the GERC and the Group Risk Committee on the cyber threats facing Prudential

and the progress of Prudential's security programme. On a half-yearly basis, the Group CISO also holds a dedicated session with the Group Risk Committee to enable a more in-depth discussion on the cyber risk facing Prudential.

Our Group-wide framework for information security

The Group-wide framework for information security rests on four key tenets to defend and protect the Group, our information and our customers' data. These are 1) automation, 2) Global Security Operations Centre, 3) accelerate development of people skills and 4) continuous improvement.

1 Automation

Automation allows us to increase the speed and scale of our defences and reduce the need for human interaction in a number of incident types. This frees our team to focus on more challenging initiatives and on continuously maturing our security and privacy disciplines.

Throughout 2020 we have continued to focus on automating security services to increase effectiveness and consistency and create efficiencies. As part of our approach to continuously integrate and deploy new tools into our Pulse ecosystem, we have introduced automated security testing toolsets. These help to ensure that security is integrated into the development life cycle from the beginning of the process, providing early feedback about any vulnerabilities.

2 Global Security Operations Centre (SOC)

A global SOC is in place to provide 24-hour threat and incident management and provides consistent, appropriate 24-hour support to our global businesses in the case of any suspicious event.

We retain membership of various intelligence-sharing networks, such as the Financial Services Information Sharing and Analysis Centre, and maintain industry relationships to support intelligence-sharing through our network of connections. The function of the Cyber Threat Intelligence team is to assist our teams and businesses in understanding the cyber threats we face and to focus on providing actionable intelligence. The ultimate goal of the intelligence provided is to guide our decisions to ensure the most relevant and impactful risks for our business are addressed.

3 Accelerate development of people skills

Our staff are critical to protecting the information entrusted to us by our customers. Consequently, information security awareness training is an integral component in ensuring that our information and systems remain safe. All members of staff, including temporary staff, across all our businesses are mandated to complete this training at least annually. Training is provided locally to support local languages and reflect any local regulatory and legal requirements, and completion is tracked within each business. The artificial intelligence skills of our digital security team are assessed and further development opportunities are provided to them.

We have rolled out a programme across the Group to support information security staff through Certified Information Systems Security Professional (CISSP) training and accreditation. The CISSP is one of the most highly regarded professional accreditations for information security worldwide and covers a broad scope of security domains. The programme began in Jackson and has now been extended across the Group-wide Information Security team, with over 40 members of the full-time security team across the Group holding the CISSP certification.

Throughout the year our Non-executive Directors have access to one-to-one training, often delivered by the Group CISO, on topics including cyber threats and privacy. This ensures that they can not only protect themselves and the information they handle on a daily basis, but also engage in Board-level oversight of information security risks from a more informed and confident position, something we consider to be essential to the oversight of our strategy and risk management.

4 Continuous improvement

Given the rapid evolution of threats, the security and privacy disciplines need to be in a state of continuous improvement across the three dimensions of people, process and technology. The model to measure the maturity of our security and privacy programme has been completed, with progress being made on rationalisation and optimisation of technology solutions.

The success of our information security programme is measured from both an internal and external perspective. Externally, benchmarking is conducted regularly to ensure that Prudential's cyber security maturity level is above the industry, and internally we assess the organisation's compliance level against the defined security controls as per our Group Information Security Policy and Group Privacy Policy and relevant standards. Security metrics, which measure the level of robustness of our security controls, are generated on a monthly basis to enable the organisation to respond and adapt to any potential adverse changes in our security position.

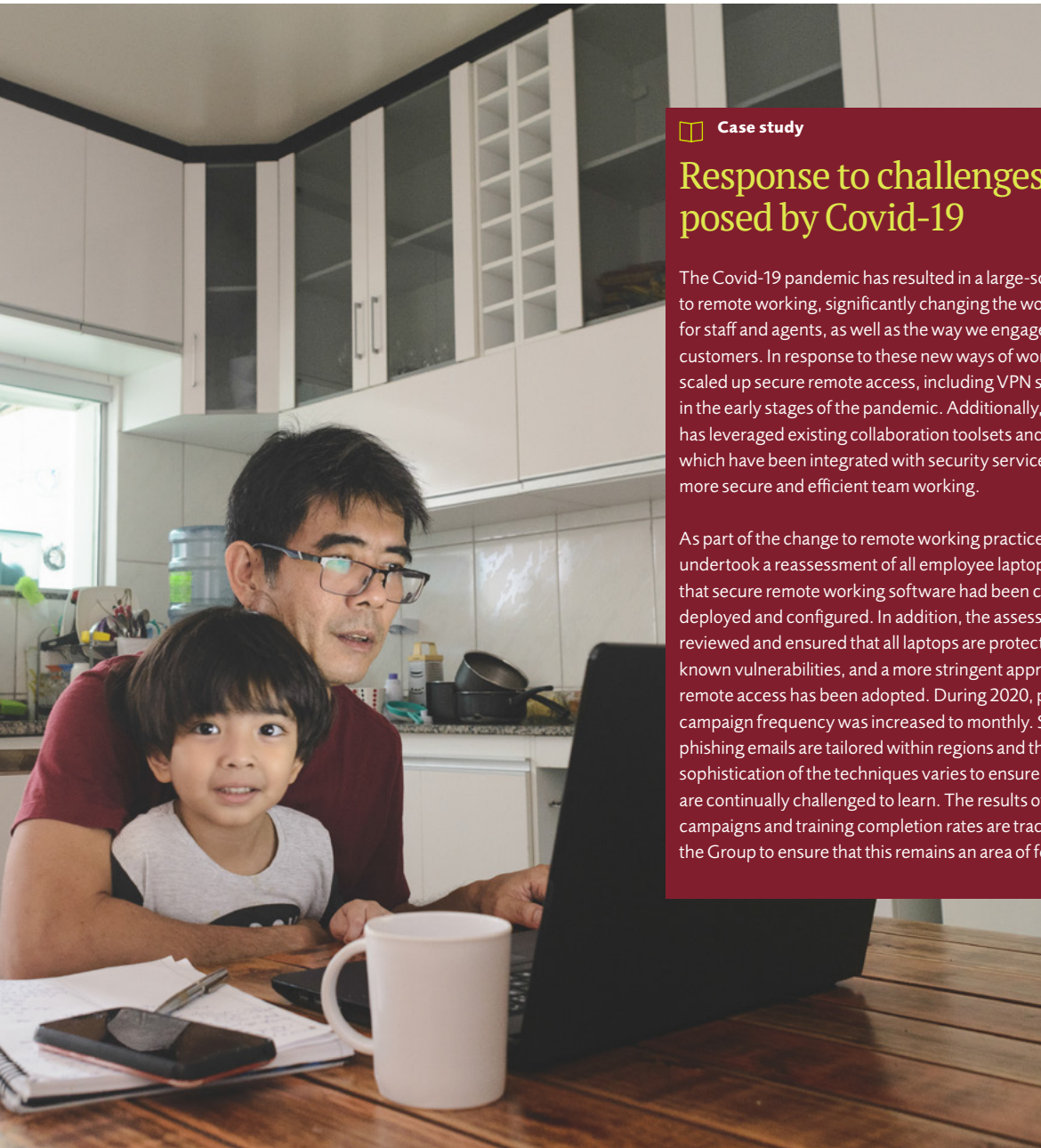
Incident response and resilience

While our aim at Prudential is always to prevent incidents wherever possible, we must ensure that we are prepared to respond to any incident in a timely and effective manner. Incident response plans are developed, maintained and tested regularly, and the Group Information Security & Privacy team maintains a close working relationship with the business continuity and disaster recovery teams to ensure alignment of plans and support in the event of an incident. Regular scenario-based testing of these processes serves both to confirm the effectiveness of the plans and provide assurance that staff, including senior executives, are prepared for such an event.

Privacy

In 2020, a key focus was on driving consistency of approach to the management of data privacy issues in order to embed high standards across

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Case study

Response to challenges posed by Covid-19

The Covid-19 pandemic has resulted in a large-scale move to remote working, significantly changing the working culture for staff and agents, as well as the way we engage with customers. In response to these new ways of working, we scaled up secure remote access, including VPN services, in the early stages of the pandemic. Additionally, Prudential has leveraged existing collaboration toolsets and capabilities, which have been integrated with security services to enable more secure and efficient team working.

As part of the change to remote working practices, Prudential undertook a reassessment of all employee laptops to ensure that secure remote working software had been correctly deployed and configured. In addition, the assessment reviewed and ensured that all laptops are protected against known vulnerabilities, and a more stringent approach for remote access has been adopted. During 2020, phishing campaign frequency was increased to monthly. Simulated phishing emails are tailored within regions and the sophistication of the techniques varies to ensure that staff are continually challenged to learn. The results of these campaigns and training completion rates are tracked across the Group to ensure that this remains an area of focus. □

the Group and ensure compliance with the Group Privacy Policy. This was supported by the roll-out of a global privacy management platform across the Group to assist with management of privacy activities and to automate privacy control assessments where possible. Activities also took place to enhance and embed processes to ensure compliance with regional and local privacy requirements, including the California Consumer Privacy Act, which took effect on 1 January 2020.

Our Group Privacy Office continues to maintain oversight of privacy compliance. The office works with our businesses across Asia, Africa and the US to support and advise on ongoing privacy compliance as well as to provide a point of escalation for resolving data privacy issues. Privacy is integrated within the Group-wide Information Security & Privacy team, which reports to the Group CISO, giving coverage of each region and the different countries in which Prudential operates.

AI ethics and governance

While the use of artificial intelligence (AI) could bring tremendous benefits, we are aware of the potential risks in deploying AI. Our Global AI Council, chaired by the Group Chief Digital Officer, is responsible for oversight of AI tools and their implementation in our business. The Global AI Council meets quarterly and includes a number of working groups, which review all projects incorporating AI and machine learning across our business units before they receive approval.

During 2020, we developed a set of AI Ethics Principles, reviewed by the Global AI Council. The principles were approved by the Group Risk Committee, on behalf of the Board, which retains ultimate responsibility for setting the Group's ethical standards. These principles sit alongside our Group Code of Business Conduct and set out the standards expected of our colleagues responsible for designing, developing and operating complex applications.

The principles are:

- Effectiveness and value – we design tools with a clearly defined purpose to deliver value for our stakeholders;
- Explainability and transparency – we are transparent that AI tools are used as part of our products and services and explain this simply;
- Bias and fairness – we ensure that AI treats people fairly to avoid bias and unfair discrimination;
- Robustness – we design AI tools that are highly reliable and robust;
- Compliance – we comply and respect relevant regulations, including human rights laws;
- Accountability and responsibility – we accept accountability and responsibility for the outcome of the use of AI tools;
- Privacy and security – we respect user privacy and security; and
- Assurance – we continuously review and monitor our AI deployment and outcomes to ensure that these principles are met.

The Global AI Council is supported by six working groups:

1. Products and pricing – to drive the automation of actuarial work;
2. People – to upskill and certify the AI capabilities of all Prudential employees;
3. Data – to align with Prudential's data governance and management;
4. Technology and platform – to review and approve AI technology and supplier choices;
5. IP – to safeguard Prudential's AI intellectual property; and
6. Ethics – to approve AI prototypes for compliance with Prudential's AI Ethics Principles.

As we invest in AI, big data and other technologies to deliver on our purpose, we are providing everyone in the organisation, regardless of their roles, with opportunities to learn more about these technologies, so that they can participate and contribute to helping our customers. For those who want to advance further, we have created an AI Bootcamp, consisting of a five-level certification process, which covers advanced AI, machine learning, data analytics, as well as AI use in healthcare and finance. An overarching theme of the bootcamp is AI for good and helping families and communities in need.