



UK gender pay gap report 2020

Prudential Services Limited



Introduction

As an international business we are committed to developing and retaining talent and valuing the diversity of our people. This is key to ensuring that we deliver outstanding results for our customers, our shareholders and the communities in which we operate.

For the fourth year we are publishing our UK gender pay gap, which measures the difference between the aggregate pay for all men and women in our UK-based legal entity, Prudential Services Limited. It does not measure the difference between pay for men and women performing the same roles and excludes data for M&G following the demerger.

Due to the change in the Group's business focus, senior management roles are now split between locations in the UK and Asia. The 2020 gender pay gap calculations are based on the employees based in the UK only, and therefore exclude data for part of our senior management team, including a number of senior female leaders, who are based in Hong Kong.

While women and men continue to be paid equally for performing similar roles, our gender pay gap reflects the fact that men and women have traditionally held different roles, particularly in the financial services sector. It highlights the fact that we have more men than women in leadership roles. In addition, a number of senior roles were transferred to M&G as part of the demerger process. Some of these senior roles were held by women, and as M&G is now excluded from our calculations, this has affected Prudential's reported gender pay gap for this year.

As a result, three of four indicators of our the gender pay gap have increased in 2020, largely driven by the implications of the demerger rather than operation of the workforce policies. As set out in our previous report, we continue to focus our efforts on closing the gender pay gap as quickly as possible. 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.

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We want to ensure that we attract applicants from all backgrounds and create opportunities for all our employees to develop and progress, so we have the talent needed to better reflect the communities we serve.

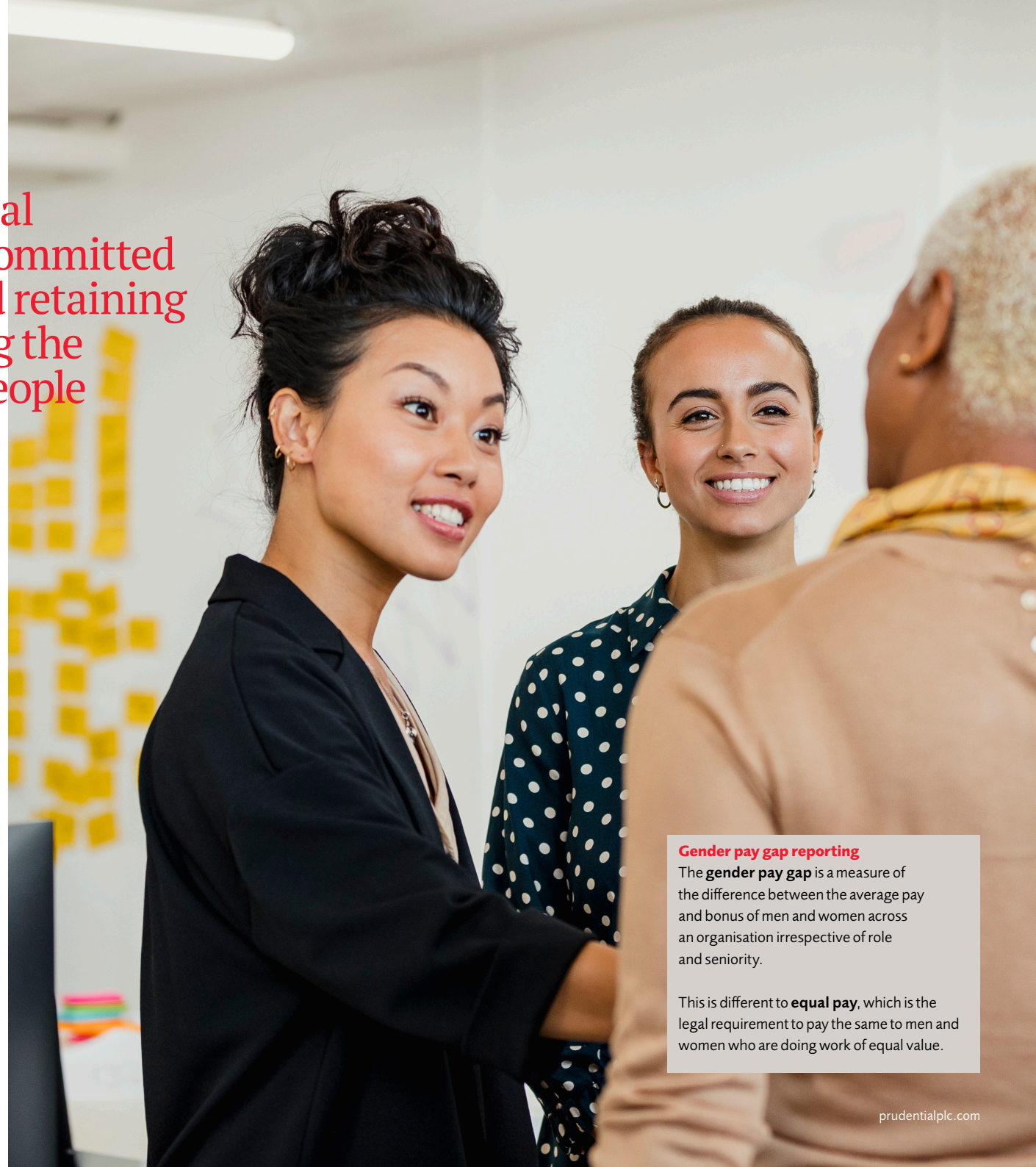
I can confirm that the information contained in this report is accurate.



Mark FitzPatrick
Group Chief Financial Officer
and Chief Operating Officer
Prudential plc



Jolene Chen
Group HR Director
Prudential plc



Gender pay gap reporting

The **gender pay gap** is a measure of the difference between the average pay and bonus of men and women across an organisation irrespective of role and seniority.

This is different to **equal pay**, which is the legal requirement to pay the same to men and women who are doing work of equal value.

Who this data includes

288 employees

Prudential Services Limited is the employing entity for all of our London Head Office staff.

The mix of men and women in the reported data is:

55% men

45% women

The data presented here is for our 288 employees as at 5 April 2020.

2020 gender pay gap

* The change in pay gap between 2019 and 2020 is influenced by transfers of a number of women in senior roles to M&G as part of the demerger. In addition, very few LTIP awards reached their vesting dates during the reporting year, so this data primarily relates to annual bonuses.

Fixed pay

(including salaries and cash allowances) *

The average (mean)

45.2%
(2019: 40.3%)

The average (mean) hourly rate of fixed pay received by male employees is 45.2 per cent more than the average (mean) hourly rate received by female employees, compared to 40.3 per cent in 2019.

The midpoint (median)

28.3%
(2019: 21.8%)

The midpoint (median) of the range of rates of hourly fixed pay received by male employees is 28.3 per cent more than the midpoint (median) of the range of rates of hourly fixed pay received by female employees, compared to 21.8 per cent in 2019.

Bonus pay

(including bonuses and long-term incentives) *

The average (mean)

63.6%
(2019: 79.1%)

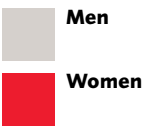
The average (mean) value of bonus pay received by male employees is 63.6 per cent more than the average (mean) value of bonus pay received by female employees, compared to 79.1 per cent in 2019. The continued pay gap reflects the fact that there are more men than women in roles with higher incentive opportunities.

The midpoint (median)

51.7%
(2019: 44.9%)

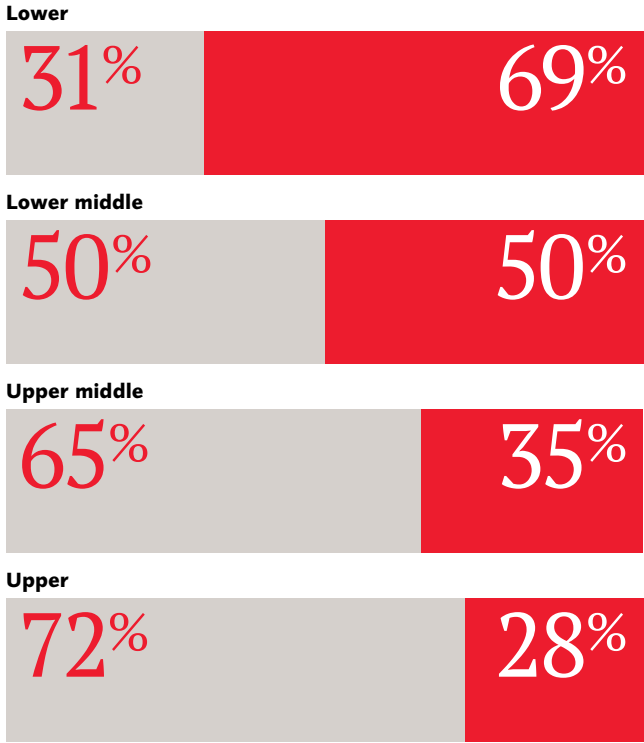
The midpoint (median) of the range of the values of bonus pay received by male employees is 51.7 per cent more than the midpoint (median) of the range of the values of bonus pay received by female employees, compared to 44.9 per cent in 2019. The continued pay gap reflects the fact that there are more men than women in roles with higher incentive opportunities.

Percentage of employees who received a bonus



Proportion of men and women by pay quartile

The charts below show the gender balance of Prudential Services Limited employees in each pay band (dividing our employees into four equal bands):



The reasons for the gender pay gap

There has been an increase in the fixed median and mean pay gaps, a decrease in the mean bonus pay gap and an increase in the median bonus pay gap.

As set out on the previous page, these numbers were affected by the by transfers of a number of women in senior roles to M&G as part of the demerger.

In addition, these pay figures demonstrate the demographic challenges facing the business and the financial services sector as a whole:

- There are more men than women in leadership and senior roles; and
- There are more women than men in administrative and support roles.

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The gap in bonus pay is higher than the gap in fixed pay because:

- There are more men than women in those roles with higher incentive opportunities;
- A greater proportion of their total remuneration is delivered in variable pay (short-term and long-term incentive plans); and
- We support part-time working, so that our employees can balance their personal and professional lives. Our part-time employees receive bonuses that are adjusted to reflect the hours that they work, although this is not recognised in the calculation of the gender bonus gap. Of the 4.5 per cent of staff who work part-time, 92 per cent are women.

Closing the gender pay gap

In order to close the gender pay gap we must achieve better representation of women in all roles and at all levels of our organisation. The business continues to use a variety of initiatives at all levels to accomplish this objective.

This includes:

- Achieving a better gender balance in leadership roles (see Spotlight below);
- Offering tailored, one-to-one maternity coaching for female staff. This development initiative helps mothers to prepare for maternity leave, providing support while they are out of the office and facilitating a seamless return to the workplace;

- Offering enhanced shared parental leave;
- Ongoing investment in PruThrive, our flagship wellbeing programme, which promotes inclusivity as one of its key pillars;
- Continuing training using our Equality, Diversity and Inclusion mandatory e-learning module. This supports colleagues to ensure that they promote a diverse and inclusive workplace and they are aware of unconscious biases and how to manage them, so that all our employees are treated fairly and feel valued; and
- Ensuring gender balance in recruitment shortlists and further enhancing line manager awareness throughout the employment lifecycle.

Spotlight

One of the areas where we have made an improvement to the gender balance is in Leadership Team roles. The Prudential Group has made a commitment under the HM Treasury Women in Finance Charter that 30 per cent of the Leadership Team (the 100 most pivotal roles in the Group) will be female at the end of 2021. The percentage for our London Head Office is 33 per cent as at April 2020, ahead of the Group's 2021 target. The graph opposite illustrates the progress that has been made.

Female representation in our London Head Office Leadership Team roles over the last four years

