



**PRUDENTIAL**



# Gender Pay Gap Report 2017

Prudential plc

# Introduction

An inclusive working environment is essential for everyone to want to, and be able to, give their very best for the organisation.

Diverse and inclusive companies make better decisions, enjoy better financial performance, attract the best talent, manage risks more effectively and innovate more than others. As a Group we aspire to reflect appropriately, at all levels, the diverse communities we serve across four continents.

As required by the UK government, we are publishing our gender pay gap, which measures the difference between the aggregate pay for all men in our organisation and that for all women. It does not measure the difference between pay for men and women performing the same roles. Where men and women perform similar roles, they are paid equally.

Our UK 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, investment management and senior operational roles, and that we still have work to do to achieve our ambition of reflecting the communities we serve.

The solution is not to change pay scales but to take steps to ensure that we attract talented applicants from all backgrounds, create opportunities for all our employees to develop and progress, and challenge systems, processes and mindsets to ensure that they do not disadvantage women. The gender pay gap cannot be removed overnight, but we are committed to closing it as quickly as possible.



**Tim Rolfe**  
Group HR Director

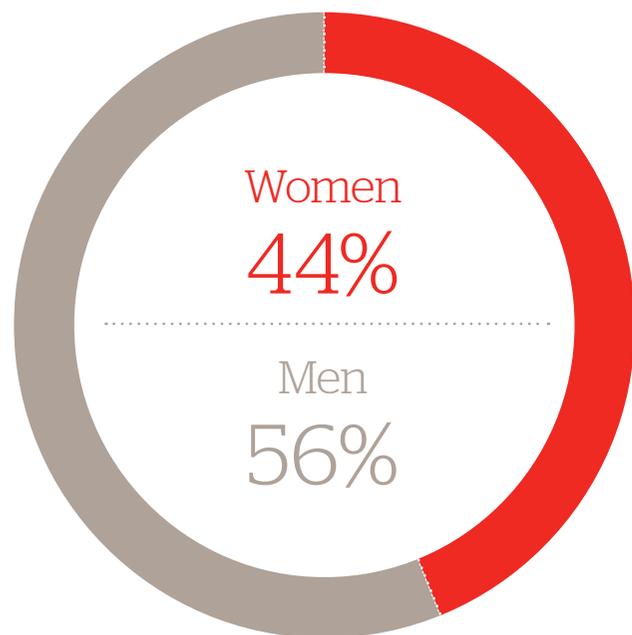
**Gender pay gap reporting**

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

The data presented here is for all our 5,550 UK-based employees. The mix of men and women in our UK workforce is currently:



We have six UK legal entities that employ at least 250 people and so are required to report their gender pay gaps separately. The data in this report includes all UK based employees, and not just those employees in entities that are required to report their data under the reporting requirements.

Each of Prudential's UK reporting entities' gender pay gap data, together with details of what they are doing to increase diversity and reduce the gender pay gap, can be found by following the links below.

-  [Link to M&G Limited gender pay gap report.](#)
-  [Link to Prudential Distribution Limited, Prudential Financial Planning Limited, Prudential UK Services Limited and PGDS \(UK One\) Limited's gender pay gap report.](#)
-  [Link to Prudential Services Limited gender pay gap report.](#)



# Prudential's 2017 UK gender pay gap

## Fixed pay

including salaries and cash allowances

### 29.7%

The average (mean) hourly rate of fixed pay received by male employees is 29.7 per cent more than the average (mean) hourly rate received by female employees

### 22.9%

The midpoint (median) of the range of rates of hourly fixed pay received by male employees is 22.9 per cent more than the midpoint (median) of the range of rates of hourly fixed pay received by female employees

## Bonus pay

including bonuses and long-term incentives

### 75.6%

The average (mean) value of bonus pay received by male employees is 75.6 per cent more than the average (mean) value of bonus pay received by female employees

### 44.1%

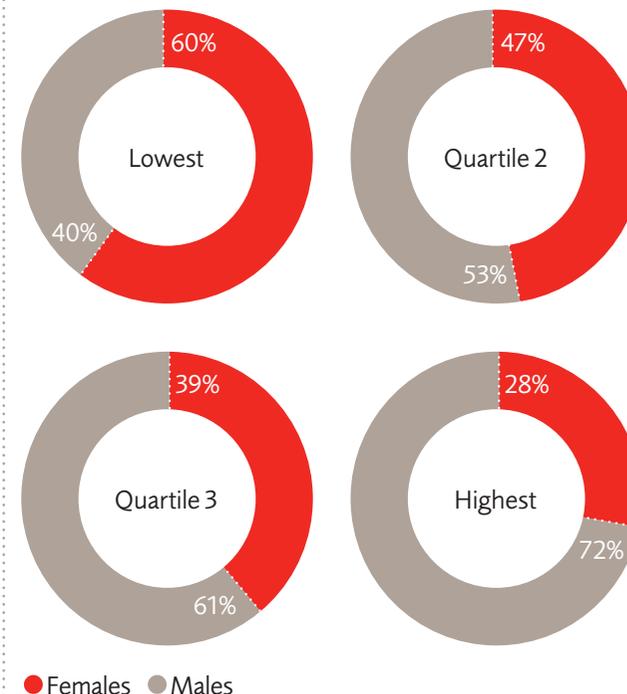
The midpoint (median) of the range of the values of bonus pay received by male employees is 44.1 per cent more than the midpoint (median) of the range of the values of bonus pay received by female employees



93 per cent of male employees and 91 per cent of female employees received a bonus

## Proportion of males and females by pay quartile

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



# The reasons for the gender pay gap

These pay figures demonstrate the demographic challenges facing our UK businesses and the financial services sector as a whole:

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

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 - that is, leadership, sales and fund management roles; 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. However, this is not recognised in the calculation of the gender bonus gap. The majority of part-time staff are women: 20 per cent of women work part-time compared to 1 per cent of men.

## 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. This goal is reflected in:

- Diversity and Inclusion (D&I) being one of the Group's strategic priorities;
- The commitment that we made in 2016 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, which will be the 150th anniversary of Prudential becoming one of the first City companies to employ women; and
- Progress towards this 2021 target determining whether part of leaders' long-term incentive awards are released. For the 2017 long-term incentive awards to vest in full, at least 27 per cent of the Leadership Team must be female at the end of 2019.

## 10 priority areas

To deliver this commitment, we take a long-term strategic approach co-ordinating work in the following 10 priority areas:

- Group-wide D&I Advisory Committee
- D&I-focussed review of HR processes
- D&I action plans and business case
- Unconscious bias training and D&I focussed development
- Aspirational direction, targets, measuring and reporting
- Mentoring, sponsorship and coaching
- D&I communication
- Work with schools and universities
- Group-wide D&I conference
- Invest in and support affinity group networks

These priority areas include a large number of initiatives across the Group. Some examples of changes we are making in our UK-based businesses are shown on the following pages:

# Closing the gender pay gap

## Inspiring the next generation of female investment professionals

As part of our work to improve the pipeline of young women in investment roles, M&G's recruitment process has been rethought to ensure that we can reach a diverse range of candidates. Changes have included:

- Hosting Women in Fund Management insight events to educate students about the opportunities available in the investment management industry and specifically at M&G;
- Assessing candidates in the round using a 'Talent Score' which combines the results of a number of online tests (verbal, numeric, critical reasoning and situational strengths tests). We have found that this better reflects candidates' capabilities rather than simply requiring a pass mark in each test; and
- Moving from competency-based to strengths-based interviews has offered a better way of engaging candidates and a more enjoyable opportunity to showcase their strengths and potential.

The result is that women are now well represented on M&G's graduate schemes. For example, female representation on the Investment Graduate Scheme for 2018 is 75 per cent, compared to 17 per cent four years ago.



## Building a family-friendly workplace

As part of our work to make a Prudential career compatible with the caring responsibilities of all of our employees, we made the following changes to the leave arrangements offered by our Prudential UK business in May 2017:

- Colleagues becoming parents and taking maternity, adoption or shared parental leave will now receive full pay for 18 weeks (previously 15 weeks) if they have a year of service with us;
- Colleagues taking paternity leave (or equivalent adoption leave) now only need to have been with us for 26 weeks to receive two weeks of paid leave (previously a year's service was required); and
- Colleagues who are carers (caring for parents, for example) are able to apply for planned leave under a new policy, helping them to balance work and care commitments.



# Closing the gender pay gap

## Challenging unconsciously held stereotypes

As part of our work to challenge mindsets that may disadvantage certain groups of colleagues and candidates (including women), we have invested in unconscious bias training:

- Senior leaders across the Group, including 188 in the UK, participated in unconscious bias workshops in 2017;
- The workshops aim to make attendees more aware of the potential for unconscious bias to affect their decision making and to share practical ways in which leaders can be more inclusive, making sure that everyone's voice is heard;
- Feedback has been positive. One participant said that the workshop had been **'Hugely revealing for me personally and I am committed to a change in behaviour'**;
- A next step in this journey will be the launch of an unconscious bias eLearning course in the first half of 2018. All colleagues and new starters in our Prudential UK and M&G business will be required to complete this training.

