

A long-term view

We want to create a positive legacy from all our business activities. We aim to provide value to our customers through the products we deliver and to our shareholders through our positive financial performance. At the same time we recognise the importance of providing benefits to all our stakeholders, whether through our community investment programmes, our environmental impact, our engagement and talent development with our colleagues or our approach to responsible investment.

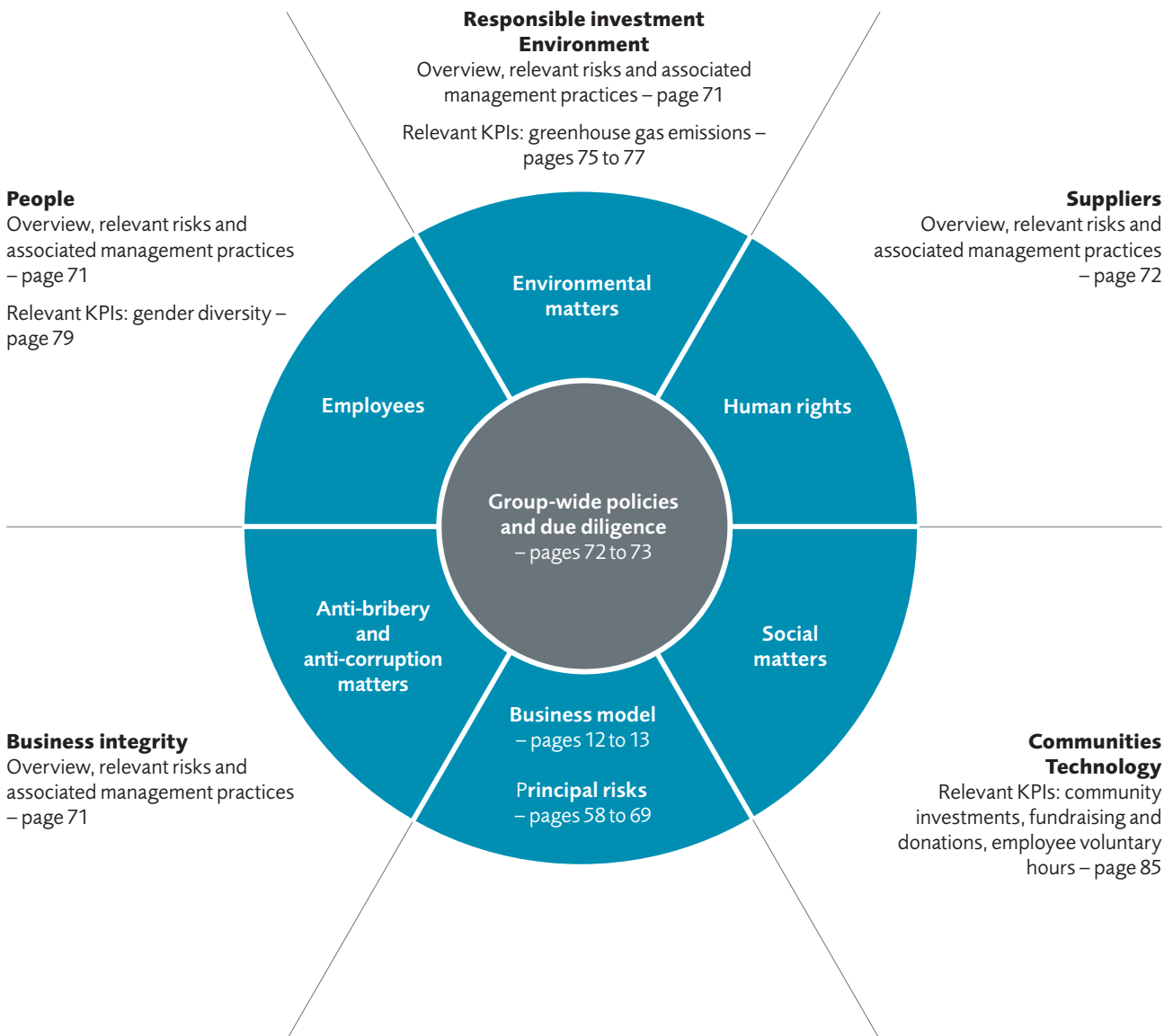
Non-financial information statement

As a global provider of savings and protection products, stewardship is core to what we do. We recognise that to help our customers look to the future with confidence, we need to take a long-term view on a wide range of issues that affect our business and the communities in which we operate. To do this, we maintain a proactive

dialogue with our stakeholders – customers, investors, employees, communities, regulators and governments – to ensure that we are managing these issues sustainably and delivering long-term value. Further information on our engagement with our stakeholders will be provided in our upcoming 2018 ESG report, which will be published in May 2019.

This Strategic report complies with the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006.

The diagram below provides a guide to the sections of this Strategic report that fulfil these requirements:



This corporate responsibility review provides an overview of our activities and progress in 2018 across a range of areas in which we have helped to provide benefits to stakeholders throughout the markets in which we operate. It also includes an overview of our Environmental, social and governance (ESG) activities.

For us, ESG means:

- **What we do** – the products we offer, our customer service, our human capital and our investment management; and
- **How we do it** – understanding our customers and providing suitable solutions that meet their needs, building long-term profitable relationships, investing in our people and making responsible investments, to generate sustainable long-term returns in line with our risk appetite, to meet our customers' needs.

Our ESG approach underpins the delivery of our strategy, generating sustainable earnings and resilient capital growth, enabling us to deliver on our promises to our customers.

More detailed information on our corporate responsibility and ESG activities is available online at www.prudential.co.uk/corporate-responsibility and in our 2018 ESG report, which will be published in May 2019.

How we govern ESG

We established an ESG Executive Committee (ESG ExCo) in 2018 to lead on how we identify, manage and report on material ESG risks. Our ESG sponsor, Jonathan Oliver (Group Executive Committee member), was nominated as Chair and is supported by senior leaders from Group operations, across financial reporting, investor relations, risk, compliance, operations, investment and human resources. There is representation from our business units, provided by the Chief Investment Officers of our asset management businesses (PPM America (PPMA) and Eastspring), M&G's Head of Corporate Finance and Stewardship and Jackson's General Counsel. The ESG ExCo meets quarterly and reports to the Board at least twice each year, with additional ad hoc reporting provided as necessary. Our ESG ExCo is focused on the holistic assessment of ESG matters material to the Group, raising matters for Board decision-making and implementing resulting decisions, supporting the sustainable delivery of the Group's strategy.

Managing our material ESG issues – summary

Responsible investment

As a life insurer, asset owner and manager, we are long-term stewards of our customers' assets and we recognise the importance of ESG matters. We also recognise our responsibility to our customers, society and the environment to effectively integrate associated considerations into investment decisions and fiduciary and stewardship duties, helping to finance a more sustainable economy.

Environment

We recognise the risks and opportunities posed by climate change and our impact on the environment, and as such we strive to play our part in reducing both our direct and indirect impacts where possible. Our approach includes not only understanding our impact on the environment, through measuring and improving the environmental performance of our global operations, but also developing our understanding of the environment's potential impact on our business.

People

We foster a diverse and inclusive organisation that develops and protects our people's interests, wellbeing and health. Developing talent and valuing diversity is key to how we operate and deliver outstanding results for our customers, shareholders and communities.

Data protection and cyber security

New technologies present new risks, from privacy to cyber security, and we are vigilant in working to identify these and to manage old and new risks in ways that are proportionate to and commensurate with the threats our business faces. At the same time, we are making significant investments in technology as we continue to upgrade our digital capabilities to provide a more seamless customer experience.

Communities

Our business purpose, the interests of our stakeholders and our drive to ensure economic and social progress for the long term are central to our community investment strategy. This strategy has four principal themes: social inclusion, financial education and life skills, disaster preparedness and employee engagement, and we continued to be active in all these areas during 2018.

We maintain long-term relationships with our charity partners, providing support through both funding and skills-based volunteering led by our employees.

Business integrity

We embed responsible and ethical behaviour across our organisation. From how we conduct ourselves, shape and monitor our culture and meet our responsibility to prevent bribery and corruption, through to transparency in our tax practices, our contribution to the global economy and our leadership role in our industry, we are a responsible, ethical business.

Our governance framework, setting out the principles by which we conduct our business and ourselves, is built on our Group Code of Business Conduct and our Group Governance Manual. We contribute to financial stability and sustainability in all of the markets in which we operate. The responsible and sustainable management of our tax affairs helps us to maintain constructive relations with our stakeholders and play a positive role in the economy. We take a long-term perspective and balance our responsibility to support our business strategy with our responsibility to the communities in which we operate, which need sustainable tax revenues.

We have a global footprint and maintain business relationships with a range of parties, such as agents and intermediaries, who act on our behalf. As such, financial crime is a key risk and we are committed to fighting it through the maintenance and implementation of policies and procedures on anti-money laundering, counter-terrorist financing, anti-bribery and corruption and anti-fraud, and through our commitment to industry-wide efforts. We operate a Group-wide whistle-blowing programme, which is able to receive reports from a variety of channels and is supported by an independent third party that captures and comprehensively records matters raised.

Customers

Our relationships with our customers are long-term and are central to our ability to continue creating sustainable value. We provide fair, transparent, inclusive and accessible products to best serve our customers' needs and to support them in de-risking their lives. We are constantly looking for new ways to innovate and provide the highest level of service.

We take our commitment to our customers seriously when training our personnel, who deliver service consistent with our values. Where customers have cause to complain to us, we have documented procedures in place to manage complaints received through multiple touchpoints, in a timely, robust and professional manner.

In Asia, the health protection gap remains large and continues to expand. In line with our commitment to help close this gap and protect our customers' health, we have continued our efforts to create best-in-class health capabilities by offering more comprehensive and flexible coverage and a wider range of value-added services. Increasing access to financial protection is a significant socio-economic issue and we seek to provide the right products through appropriate means to improve access for new and existing customers. We also strive to communicate information about our products in a fair and transparent way. In the US, Jackson continues to be a leader in shifting perspectives and simplifying the language around financial products.

Suppliers

Managing ESG risks when sourcing goods and services, and throughout the lifecycle of our third-party relationships, is vital to our position as an ethical and responsible business. We take this position seriously and seek to both maximise value and minimise risk throughout our interactions with our supply chain.

We work with a range of partners that support our business units with our IT network and systems, specialist professional and advisory services, facilities management, contractors and the agents that form our distribution network. Our Group Code of Business Conduct outlines the values and standards that we require of each of our suppliers. We act with integrity to ensure that modern slavery, human trafficking, child labour or any other issue that subjugates human rights is eradicated from our supply chain.

Our business units are responsible for managing third-party supply arrangements and able to adopt further policies as they require, to meet localised operating conditions. Business units conduct due diligence before engaging with and ultimately selecting a new supplier. During this process, our employees are trained to ensure that the contractual arrangements reflect the requirements of those policies. We perform regular due diligence, review meetings and audits, where required, and our policies and procedures are supported by regular employee training exercises. Our 'Speak Out' whistleblowing service enables employees to raise any concerns they may have in relation to our third-party relationships, and our contractors and third-party suppliers are also able to use this service.

ESG policy framework – Group Governance Manual

The Group Governance Manual (GGM) establishes standards for managing key material ESG issues across the Group, setting out the policies and procedures to support how we operate. The GGM is used to ensure that we comply with relevant statutory and regulatory requirements. Our Group-wide policies relating to our identified material issues include:

Material ESG issues	Our Group-wide policies*
Business integrity	<ul style="list-style-type: none"> — Code of Business Conduct Policy details our required standards to be used across the Group and covers our employees and individuals or organisations acting on our behalf. It is governed by five standards: protection from financial crime, avoiding conflicts of interest, managing information, communicating as a group and providing equality for our people. — Anti-Bribery and Corruption Policy covers our values for reputation, ethical behaviour and reliability. As an organisation we are focused on financial practices that align to those values and we prohibit corruption or bribery within our working practices. — Anti-Money Laundering and Counter Terrorist Financing Policy outlines how we prohibit money laundering or terrorist financing in our working practices, setting out how we establish parameters to prevent this taking place across the organisation. — Sanctions Policy details the commitment we have to comply with sanctions laws and regulations by screening, prohibiting or restricting business activity, and following up through investigation. — Security Policy outlines our commitment to ensuring security aligns to industry recommended practice for managing our regulatory and legal obligations. This includes how we manage incidents under the 'Speak Out' programme, our whistle-blowing process. — Tax Risk Policy includes our processes to manage tax-related risk, by identifying, measuring, controlling and reporting on issues considered an operational, reputational or regulatory risk. — Political Donations Policy outlines our position, that as an organisation we do not donate to political parties.
Customers	<ul style="list-style-type: none"> — Customer Commitments Policy covers our five key commitments to our customers and how we assess, manage and report on these: <ol style="list-style-type: none"> 1 Treat customers fairly, openly and honestly; 2 Provide and promote a range of products and services that meet customer needs, are easy to understand and that deliver real value; 3 Maintain the confidentiality of our customer information (except where the law requires disclosure); 4 Provide and promote high standards of customer service and monitor these standards rigorously; and 5 Ensure that our complaints processes provide an effective and fair means of arbitration between the Group's businesses and customers.

Material ESG issues	Our Group-wide policies*
Environment	— Environment Policy outlines our approach to understand and manage the direct environmental impact of the Group. This covers our measurement, monitoring, review and reporting of issues associated with our environmental performance.
Responsible investment	— Owing to the distinct investment risks faced by our asset management and ownership businesses, with each investing in different markets and asset classes, each business manages ESG-related matters through the pursuit of business-specific responsible investment policies. This is overlain by our Group-wide Responsible Investment Framework, aligned to our Group-wide Code of Conduct and underpinned by our Group Responsible Investment Standards.
Suppliers	— Third-Party Supply Policy – an updated Third-Party Supply Policy was approved by the Group Risk Committee in July 2018. It covers how we manage and oversee our third-party arrangements, through due diligence/ selection criteria, contractual requirements, the ongoing monitoring of such relationships and reporting and escalation. Additionally, our policy considers the requirements of the UK Modern Slavery Act and the principles of the UN's Universal Declaration of Human Rights.
Technology	— Privacy Policy governs the protection of data. The policy became operational in 2018 and complies with the General Data Protection Regulation.
People	<ul style="list-style-type: none"> — Diversity and Inclusion Policy sets out how we foster an inclusive workforce and ensure all our employees are treated fairly and feel valued, and together have the diversity in skill sets and backgrounds that enriches the organisation. Our policy considers a range of diversity aspects of our employees, including gender, age, ethnicity, disability, sexual orientation and background. Further information on the diversity of our Board, our policy in respect of this, how this is implemented and the associated results in 2018 can be found in our Governance statement on pages 109 to 114. — Employee Relations Policy outlines the way we engage our employees and motivate them to achieve success for the Group: promoting positive relationships with employees, representative organisations and trade unions, and maintaining a positive reputation for the treatment of employees. — Performance and Learning Policy sets out the importance of our people and frames how we invest in their development to deliver against our strategy and the future success of the organisation. This includes our Performance Management Framework. — Remuneration Policy outlines our effective approach to appropriately rewarding our employees in a way that aligns incentives to business objectives and enables the recruitment, retention and incentivisation of high-calibre employees in line with our risk appetite and Group Reward Principles. — Talent Policy demonstrates how we attract and select the best people for roles that will ensure high performance in the short term and improve the longer-term succession and talent pipeline. It sets out our fair and effective approach to pursuing this. — Health and Safety Policy covers our employees, business partners, customers and others that may be affected by our operations. This details our health and safety core principles, our commitments and the measuring and reporting on our health and safety performance.
Communities	— Community Investment Policy covers how we are committed to working with the communities we operate in as active and supportive members. This also outlines our strategy for investing in the community and how we make investments and report against them.

* In addition to our Group-wide policies, our business units have underlying business-specific policy frameworks, reflecting their individual risks and operating environments. For the purposes of this report, we focus primarily on the Group policy framework.

The GGM is used as a platform for mandating specific ways of working across the Group. The chief executive of each business unit attests annually to compliance with applicable requirements set out in the policies, including matters that must be reported to the Group. Specific procedures are followed for the reporting of non-compliance. Business units present such instances in their annual certification, which in turn is reported to the Group Audit Committee.

Due diligence on ESG-related policies

Our GGM forms part of the Group Risk Framework, which details how business units should put in place sufficient processes that identify, evaluate and manage risks, incorporating key ESG issues. Due diligence is conducted by the business units to ensure that the policies are complied with and we require evidence to demonstrate this.

The Group Audit Committee reviewed the results of the year-end certificate of compliance with GGM requirements. While several improvements to ensure the policies are fully embedded were discussed, no significant areas of non-compliance in relation to the policies relevant to ESG issues were noted.

For further information on our Group business standards and policies pursued in relation to our material ESG issues, refer to the 'Business standards' pages of our website at: www.prudential.co.uk/responsibility/standards

Further information on ESG issues **Responsible investment**

As a life insurer, asset owner and manager, we are long term stewards of our customers' assets and we recognise the importance of ESG matters. We also recognise our responsibility to our customers, society and the environment to effectively integrate associated considerations into investment decisions and fiduciary and stewardship duties, helping to finance a more sustainable economy. We believe that our investment activities should help our customers both today and over the long term. We take our commitment to ESG and responsible investment seriously, which is why our asset management business units, M&G Investments, PPMA, PPMSA and Eastspring Investments, are signatories to the Principles for Responsible Investment. Similarly, as a life insurer we remain committed to servicing our customers' evolving needs, providing product solutions that support their financial resilience and enable them to face the future with confidence.

Assessing the implications of evolving expectations of the Group in financing a sustainable and low-carbon economy

Over 2018 there have been a number of regulatory, supervisory and investor-driven sustainable finance and climate-related financial risk initiatives. From a supervisory perspective, the International Association of Insurance Supervisors and the Prudential Regulation Authority (PRA) have made clear that they expect insurers to assess and consider the risks from climate change, with the PRA releasing a consultation on a draft supervisory statement. We engaged with the PRA on the topic during 2018 and continue to focus on developing our practices in this area, with the implications for us as a Group being considered by our Board. Climate risk is under similar scrutiny from the Financial Conduct Authority, which issued a draft discussion paper on the topic, and the Securities and Futures Commission in Hong Kong launched its Strategic Framework for Green Finance. In addition to assessing the implications for the Group of evolving regulatory and supervisory expectations, we continued to monitor the changing legislative landscape, including developments set out in the European Commission's (EC) Action Plan for Financing Sustainable Growth. Our approach to meeting these evolving expectations of financial institutions is twofold: to consider the need for enhancing our ESG integration and disclosure practices and to continue to increase our industry participation and collaboration towards positive change. Further detail on the progress we have made in responsible investing in 2018, through engagement with investees and the assets in which we invest with regard to financing sustainable growth, will be provided in our forthcoming 2018 ESG report.

Strengthening our governance of responsible investment

Following on from the establishment of our Group Responsible Investment Advisory Committee (GRIAC) and Group Responsible Investment Framework in 2017, our governance of responsible investment activities has continued to be strengthened during 2018 by our businesses. Each asset management business now has a clearly designated responsible investment committee. The GRIAC links these independent business unit committees, serving as a forum for sharing best practice innovations across the Group. It also enables our Group-wide Responsible Investment Standards to be adopted in a consistent manner across our business units, while still affording them

the flexibility to manage investments in a way that balances the needs of their clients and the local regulatory environments in which they operate.

In 2018 our Group Responsible Investment Standards, which underpin our Group Responsible Investment Framework and Principles, were in the road-testing phase with our businesses, which focused on developing internal monitoring and reporting capabilities to support the implementation of the Standards. Prudential Corporation Asia, for example, has implemented a new investment portfolio and risk management system as part of the ongoing enhancement of its approach to ESG integration. This provides its regional and local investment offices with increased transparency of how ESG factors are being incorporated into its investment decisions, manager selection and manager reporting process, in line with its commitment to responsible investing. Eastspring has also embraced technology solutions in 2018, with Group Digital working in partnership with the investment teams to develop tools that utilise artificial intelligence and learning to facilitate faster and scalable ESG screening of investee companies. During 2018, M&G signed up to using the new MSCI Carbon Portfolio Analytics tool, enabling portfolio managers to monitor a portfolio's carbon emissions, carbon intensity and fossil fuel reserves and to support the better management of carbon risks.

Industry participation and collaboration on climate change

We have long believed in the benefits that collaboration and collective action can bring on important issues. Active consideration of ESG factors is integral to our stewardship responsibilities. For this reason, we as a Group and our businesses remain active participants in industry initiatives on sustainable finance on climate change. M&G continues to participate in the Climate Action 100+ initiative and remains a member of the Institutional Investors Group on Climate Change. During 2018, Eastspring participated in roundtables organised by its local regulator, the Monetary Authority of Singapore (MAS), to help raise awareness of climate risk in the region and promote the integration of ESG frameworks in investment strategies. Similarly, Prudential Singapore has engaged with its local regulators (the Life Insurance Association Singapore and MAS) to discuss its approach to climate change risk as an Asian asset owner.

Prudential remains an active member of the ClimateWise initiative, a global network of leading insurance industry organisations, and an investor signatory to the Carbon Disclosure Project. In 2018, we again participated in the Asset Owner Disclosure Project, a survey managed by ShareAction to assess the insurance sector's response to addressing climate risk, where we ranked 30th out of 80 in the Global Climate Insurance Index (an assessment of the 80 largest insurance companies globally) (2017: 31st). In 2018, M&G collaborated on enhancing industry climate-related disclosure practices and signed up to a pilot initiative sponsored by the United Nations Environment Programme to work on climate-change scenario modelling for portfolios across different asset classes. This is a central part of the Task Force on Climate-related Financial Disclosures (TCFD) framework, and the key output will be an industry climate scenario modelling tool. Further information in relation to the Group's support for the Financial Stability Board's (FSB) TCFD is provided below in the section on 'Managing climate risks and opportunities and the FSB's TCFD' below.

Evolving our ESG-focused investment product offering

We continued to add to our ESG-focused investment product offering over 2018, in light of increasing interest and demand from customers. M&G Prudential launched two new retail funds in 2018, the M&G Positive Impact Fund and the M&G Sustainable Multi Asset Fund, both employing a structured approach to ESG integration and both investing in companies that are aligned with the United Nations Sustainable Development Goals.

The Positive Impact Fund seeks to invest in companies that have a positive impact on society through addressing the world's major social and/or environmental challenges, while providing attractive financial returns. Sustainability and impact considerations are fundamental in the stock selection process. The M&G Impact team undertakes a 'triple I' approach to identifying impactful investments, analysing the investment case, intentionality and impact of a company to assess its suitability for the fund. The fund won Best New Entrant (Fund) at the 2018 Investment Week Sustainable and ESG Investment Awards.

Managing climate risks and opportunities and the FSB's TCFD

As a life insurer, asset owner, asset manager and occupier of over 400 properties worldwide, we recognise both the risks and opportunities posed by climate change on our businesses, and our Group's impact on the environment. Our approach includes not only understanding our impact on the environment, through measuring and improving the environmental performance of our global operations, but also developing our understanding of the environment's potential impact on our business. With respect to the impact that climate change poses to our businesses, we are cognisant that the risks and opportunities may manifest in a number of different ways. We outline further detail on the specific climate-related risks within the Group Chief Risk Officer's report on page 61.

We as a Group welcomed, and are a signatory to, the FSB's TCFD Recommendations, which were released in 2017. Our governance structures, which provide oversight in this important area, were enhanced in 2018 through the establishment of our ESG ExCo, which will oversee the Group's processes to assess the climate related risks and opportunities facing our businesses, which are currently under development, and the identification and delivery of supporting implementation activities, with the view to enhancing our climate-related financial risk management practices. Over the next year the Group will take action to enhance the Group's climate-related financial risk management practices and disclosure.

Our strategy needs to be tailored to the local US, Asian, European and African countries in which we operate. Climate change is a material challenge for the global economy and, in conjunction with other global trends, may impact each part of the world differently. The physical risks will be as difficult to determine as the risks resulting from transitioning to a low-carbon economy. Accompanying those risks are inherent investment opportunities that we will continue to explore, including the emergence of infrastructure investments as a new asset class. We are keen to position our organisation in order to best place us to respond to and manage material climate risks and capitalise on the opportunities from the economy's transition. Demonstrating our approach and performance transparently to our external stakeholders has always been central to our vision, mission and values.

As an organisation with a long history, we invest for the long term. Integrating non-financial decision-making with our current financial systems is a key part of taking that long-term view and is a continuing priority for the Group.

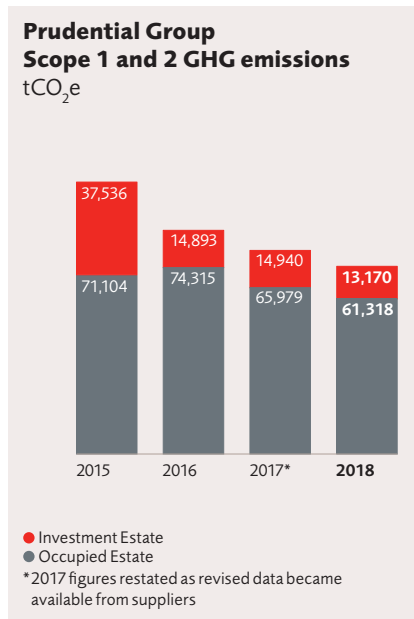
Further information on our approach to responsible investment, including progress made by our businesses during 2018 in enhancing ESG integration, investing for positive change and collaborating and participating in industry initiatives, will be found in our forthcoming 2018 ESG report.

Environment

Managing our direct environmental impact

Cognisant of our direct environmental impacts as an occupier of over 400 properties worldwide, we strive to play our part in reducing our operational impacts where possible. In 2016, we established a global environmental targets framework and roadmap to drive progress across a range of environmental aspects and impacts for our operational property portfolio worldwide. This framework aligns to our regional footprints covering Asia, the UK and Europe and the US, reflecting the maturity of environmental management practices in these markets and the autonomy given to our business units in managing their operations.

We recognise the importance of our own internal environmental targets and decarbonisation goals in reducing our direct footprint. In 2018, global energy use across our occupied estate was 127,098 MWh (2017: 129,324 MWh), a decrease of 2 per cent. Our absolute Scope 1 and Scope 2 (market based) Greenhouse Gas (GHG) emissions decreased by 7 per cent to 61,318 tCO₂e (2017: 65,979 tCO₂e restated) across our occupied estate. When normalised against net lettable floor area, our Scope 1 and 2 emissions fell by 13 per cent to 99 kg CO₂e/m² influenced by several factors such as decarbonisation of the UK/European grid (cleaner electricity generation), outsourcing our UK data centres and a 7 per cent increase in occupied floor area.



Prudential Group Scope 1 and 2 GHG Emissions

We achieved a ranking of B in the 2018 CDP Climate Change disclosure benchmark, and in ClimateWise, the insurance sector climate initiative managed by the Cambridge Institute for Sustainability Leadership, we improved our score, achieving 78 per cent (2017: 72 per cent). Our performance in ClimateWise against six core principles is independently audited by PwC.

As a Group, we signed up to RE100 in 2018 to achieve 100 per cent renewable electricity by 2025 across our occupied and managed investment estates. 30 per cent of our global electricity consumption is procured from 100 per cent certified renewable sources (solar PV and on-shore wind). Our Group Scope 2 (market based) emissions are independently assured by Deloitte. Looking ahead, we will develop roadmaps in 2019 for the demerged businesses to set out strategies to achieve this target, on a country-by-country basis.

As our business becomes increasingly global, we recognise the importance of understanding the impact of air travel on our overall corporate carbon footprint. We have collated air travel data internally across all three regions for the first time. We have elected to disclose Scope 3 GHG emissions data from air travel for the UK and Europe business unit. This amounted to 21,622 tCO₂e, representing a 50 per cent increase over preliminary estimates (2017: 14,413 tCO₂e). The scope of this data now includes air travel from our sites in the UK,

Japan, Kenya, Poland and Zambia, which are controlled by the UK and Europe business unit.

Our combined reported and unreported carbon footprint from air travel is a significant contribution to our overall emissions. Therefore, as part of a holistic approach to the management of our climate impacts, we will focus management effort on reducing the need for travel through the deployment of digitally enabled office working practices and offsetting emissions from unavoidable flights as final mitigation. Plans will be developed in 2019 to establish a CO₂ offsetting programme for air travel emissions.

As part of our ongoing environmental management system (ISO 14001:2015) in the UK, we achieved zero nonconformities in 2018, and focused on improving recycling rates and minimising single use vending cups and plastics, as well as completing the roll out of advanced energy analytics software across our largest UK properties following a successful trial.

In the US, Jackson completed a further three Energy Star assessments in addition to the two completed in 2017. The US Environmental Protection Agency Energy Star scheme is a certification programme and performance benchmark identifying the buildings nationwide that use 35 per cent less energy than typical buildings.

In Asia we have developed Green Design, Construction and Leasing Guidelines, as well as a smart leasing toolkit to ensure good environmental performance of new sites, focusing on energy and water efficiency.

M&G Real Estate, part of M&GPrudential, has an approach to responsible property investment that enables it to manage and respond to the growing range of environmental and social issues that can impact property values. It continues to decarbonise its property estate through targeting low and no cost energy reduction measures such as LED lighting installations, real time monitoring of high energy users through smart building technology and realising energy efficiency through refurbishment. Further details on M&G Real Estate's progress can be found in its annual Responsible Property Investment report at www.mandg.co.uk/institutions/realestate/responsible-investing/

For the Group as a whole, further detail on our environmental performance throughout 2018 is available online and will be published in our 2018 ESG report early in 2019, including performance against our global environmental objectives.

Prudential plc – greenhouse gas emissions statement

We have compiled our global GHG emissions statement in accordance with the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013. GHG emissions are broken down into three scopes; we have included full reporting for Scope 1 and 2 and select Scope 3 reporting as best practice.

Scope 1 emissions are our direct emissions from the combustion of fuel, fugitive emissions and company-owned vehicles. Scope 2 emissions cover our indirect emissions from the purchase of electricity, heating and cooling. We have reported our Scope 2 emissions using both the location and market-based methods in line with the GHG Protocol Scope 2 Guidance. Our Scope 3 footprint includes UK/EU/Africa booked business travel for the occupied estate, global water consumption from the occupied and investment estate (where Prudential have operational control), waste generated from occupied properties (UK and US) and global investment properties (where Prudential have operational control). We continue to work with our business units to review the extent of our Scope 3 reporting and increase coverage where practicable.

Please refer to our Basis of Reporting and supplementary reporting online for further detail on our methodology, reported consumption and drivers of variation.

Emissions source (tCO ₂ e)		2018	2017	% Change
Scope 1	Occupied estate ¹	9,191	10,494	-12%
	Investment properties	7,711	7,703	0%
Scope 2 – Location-based	Occupied estate ¹	56,554	61,154	-8%
	Investment properties	15,281	18,751	-19%
Scope 2 – Market-based (supplier and residual mix)	Occupied estate ¹	52,127	55,484	-6%
	Investment properties ¹	5,459	7,237	-25%
Scope 3	Group ¹	22,545	15,306	+47%
Scope 1 and Scope 2*	Occupied estate	61,318	65,979	-7%
	Investment estate	13,170	14,940	-12%
Total Scope 1 and 2*	Group	74,488	80,919	-8%
Total Scope 1, 2 and 3*	Group	97,032	96,225	+1%

Carbon intensity*		2018	2017	% Change
kg CO ₂ e per m ² – Scope 1 and 2 only	Group ¹	24	29	-17%
kg CO ₂ e per employee – Scope 1 and 2 only	Group ¹	3.1	3.2	-3%
kg CO ₂ e per m ² – Scope 1, 2 and 3	Group ¹	32	34	-8%

* Note that when reporting Group totals, the market-based emission is used.

Data notes

Reporting period:	1 October 2017 to 30 September 2018
Baseline year:	1 October 2016 to 30 September 2017
Independent Assurance:	Deloitte LLP has provided limited assurance over selected environmental metrics in accordance with the International Auditing and Assurance Standards Board's (ISAE3000 (Revised)) international standard.
Consolidation (boundary) approach:	Operational Control
Consistency with financial statements:	The reporting period does not correspond with the Directors' Report period (01 January 2018 to 31 December 2018) as it was brought forward by three months to improve the availability of invoice data and reduce reliance on estimated data. Prudential owns assets, which are held on its balance sheet in the financial statements, over which it does not have operational control. These are excluded from the data below. Assets not included on the balance sheet but held under an operating lease and where we have operational control are included.
Emission factor:	Scope 1 and 3 reporting uses the UK DEFRA 2018 GHG Conversion Factors. Scope 2 calculations use the IEA GHG 2018 Conversion Factors for location-based reporting. Market-based reporting uses supplier emission factors for our UK REGO-backed supply and RE-DISS factors where available.
Accounting methodology:	The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard
Materiality threshold:	Five per cent

Note

1 2017 figure restated as revised data became available from suppliers.

People

An inclusive working environment, where we continually develop our talent, reward great performance, protect our people and value our differences, is key in delivering outstanding results for our customers, shareholders and communities.

Diversity and inclusion

Organisations benefit from a number of diverse perspectives and experiences and we consider this is important to our success today and in the future. Diversity and inclusion (D&I) is one of our strategic objectives. Tim Rolfe, Group HR Director, is the executive sponsor across the Group, with Nic Nicandrou, Chief Executive of Prudential Corporation Asia, acting as the Board member accountable for D&I work.

The Group D&I Policy ensures we provide equal opportunities to our workforce through fostering an environment where our current and prospective employees are treated with dignity and respect, ensuring an appropriate diversity of skill sets and backgrounds to deliver success across the Group. Our policy supports an inclusive culture, where all our employees are protected against discrimination and provided with opportunities regardless of their age, caring responsibilities, disability status, ethnicity, gender, religion, sexual orientation, professional, social, educational or cultural background, or employment contract type. Through our policy we govern our business units to have effective approaches in place to comply with local regulation, provide equality of opportunity and encourage our suppliers to promote equality of opportunity. Each of our businesses, including Group Head Office (GHO), is required to report regularly to Group HR on its compliance with the policy.

Over time, we aspire to have a senior management team that better represents the experiences and backgrounds of our customers and stakeholders. Diversity contributes to Board effectiveness and is essential for successfully delivering the strategy of an international Group. Our Board is committed to recruiting the best available talent and appointing the most appropriate candidate to each role. This process ensures appropriate diversity of experience, skill sets and professional backgrounds. For more information on diversity within our Board, please refer to page 109 of the Governance section within the Annual Report.

We have a strategic, long-term approach to D&I and the Board monitors progress regularly through the Group D&I Advisory Committee, including reviewing our benchmarked progress against industry advances on key aspects such as the diversity of our Leadership Team. The majority of D&I activity is managed by the individual business units, which focus on the priorities that make a key difference in their specific markets, in alignment with the Group-wide strategy. The articulation of our D&I strategy has been updated in 2018 to reflect the evolution of our D&I journey. Prudential Corporation Asia continued to develop its D&I Works Committee, made up of representatives from across its regional businesses. Its purpose is to drive the D&I strategies and initiatives in the respective countries, provide support and share best practices. In the US, Jackson has introduced a D&I Advisory Council to support senior leadership by helping guide, implement and oversee D&I strategies and initiatives, providing updates on progress and communicating D&I efforts and commitment internally and externally.

Across our businesses, our commitment to all employees regarding D&I includes making reasonable adjustments to those with special requirements and is supported by initiatives such as reviews of pay, performance management consistency, providing training to staff, engaging with recruitment firms and awareness campaigns to diversify the pool of potential candidates. In 2018, building on the unconscious bias leadership workshops for senior managers and executives delivered in 2017, we aimed to reach all employees via the Group-wide roll-out of unconscious bias e-learning. Completion rates exceeded 90 per cent throughout and positive feedback was received from participants. We again sponsored Dive In, the D&I festival for insurance and the financial services sector, which took place in 27 countries and 53 cities in the Americas, Asia, Africa, the Middle East and Europe. In 2018 we published two Group-wide D&I newsletters for all employees on the themes of mentoring and sponsorship and cultural inclusion. The cultural inclusion newsletter highlighted how our African businesses reflect the cultural diversity of the countries in which we operate through engaging with clients in their native languages to improve understanding of our products, helping us to provide a better service.

We are committed to improving the diversity balance of our organisation. For example, Prudential Corporation Asia

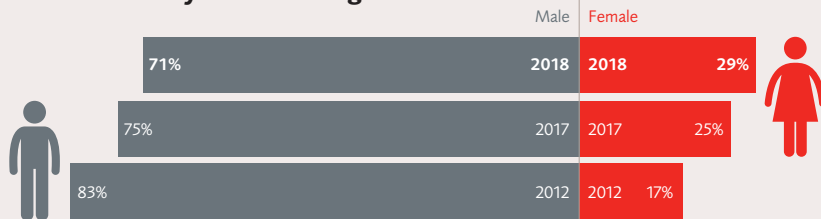
completed a review of recruitment processes resulting in a clear commitment to equal opportunities being incorporated in all job adverts internally and externally across Asia. Additionally, Prudential Corporation Asia has committed to increasing the focus on blind CV assessment and gender balanced short-lists. Our Group operations have reported a measurable improvement in the balance of gender, ethnicity, international experience and sector background experience in hires. The Group offers tailored 1:1 maternity coaching for female staff. This development initiative helps mothers to prepare for maternity leave, offers support while they are out of the office, and aids and facilitates a successful return to the workplace. Externally, M&G Prudential achieved recognition from D&I-related awards and rankings. Several individuals were winners or shortlisted for awards, for example the EMpower100 Ethnic Minority Executives List, the Black Business Awards, Women in Investment Awards and Top 50 Leading Lights, Kindness and Leadership Awards. M&G Investments was ranked in the top 50 of the UK's Social Mobility Employers Index.

In addition to the established affinity networks – Prudential Women's Network, Pride (LGBT), CAN (cultural awareness) and Mind Matters (mental health) – we launched Enable (the Group-wide network for employees with physical and mental disabilities, allies, carers and champions) and PruPride – the first LGBT and allies network in Asia. We were part of the first cohort of companies to sign the HM Treasury Women in Finance Charter in 2016. In 2018, we achieved our commitment to have 27 per cent of women in senior management, a year ahead of the target date of the end of 2019. We continue to work towards the target of 30 per cent women in senior management by the end of 2021. See below for the gender breakdown of our workforce for 2018.

Talent development

Development of our people is key to our strategic objectives. Group Human Resources focuses on senior leadership through an annual talent review process. We continue to develop leaders and critical specialists for senior roles through succession planning. We segment our talent to identify short, medium and long-term successors. Development of our senior executive leaders is a bespoke exercise that we base on their requirements.

Gender diversity: senior management



Gender diversity: all employees

Headcount	Total	Male	Female	Undisclosed ²	Unspecified ³
Chairman & Independent Non-executive Directors	10	8	2	–	–
Executive Directors	6	6	0	–	–
Group Executive Committee (GEC) Includes Executive directors	11	11	0	–	–
Senior managers Excludes the Chairman, all directors and GEC members	79	56	23	–	–
Whole company ¹ Full time equivalent Includes the Chairman, all directors, GEC members and senior managers	23,792	11,354	12,375	33.0	30.5

Notes

- 1 Excludes Prudential Corporation Asia joint venture.
- 2 In many of our businesses, we provide our employees with the option to not disclose their gender. For these employees, gender is recorded as 'undisclosed'.
- 3 No specification or information is captured on gender for an immaterial number of our employees. These employees are recorded as 'unspecified'.

We offer a range of programmes that enable our people to grow and develop. Most programmes are managed by our business units. In 2018, 113 senior high-potential individuals participated in our established and well respected Group-wide leadership development programmes 'Impact' and 'Agility' and the 'Next Generation' emerging talent programme. These programmes were developed in partnership with world-leading academic institutions and co-delivered with business school thought leaders. Across our businesses there are many more examples of our continuing commitment to talent development. For example, in 2018 Prudential Corporation Asia built on its strategic workforce planning initiative to develop and upgrade capabilities and reshape some critical roles to ensure continued success. Prudential Corporation Asia has implemented a senior leadership behaviours framework, taking a significant step towards creating a purpose-led culture to help all employees embrace the transformation of their business.

Jackson offers customised onsite programmes, as well as access to an online university, to meet the personal and professional development needs of employees with all levels of experience. Development programmes have been aligned to known enterprise-wide skills gaps to further develop critical capabilities for the future.

The Group continues to provide innovative programmes designed in partnership with top academic institutions and industry experts, focused on early career development, leadership development and opportunities, to develop a strategic and innovation mindset through varied career experiences and projects. In 2018 the Enhance programme incorporated several new themes, notably collaboration, including virtual and a new course 'Experiments at Work', which encourages expansive thinking in finding fresh perspectives for repetitive challenges and applying creative behaviours in everyday situations.

M&GPrudential supports talent development through a range of programmes to increase personal and organisational capability, alongside bespoke development support for individuals in key roles, including leadership roles and critical specialists such as fund managers, technologists and actuaries.

Employee engagement

We want to foster an environment in which employees feel empowered and that they are making an active contribution to the organisation and the communities we serve. We drive employee engagement through a number of initiatives, including colleague appreciation programmes, wellbeing programmes, networking opportunities with peers and senior leaders across functions and employee focus groups. Each of our businesses manages its own activities in this area, including employee engagement surveys, regular employee open forums with senior management and team away days to discuss business performance. Our businesses, including GHO, have processes and, where appropriate, a policy in place for engaging with employees. For any significant issues that are likely to impact either positively or negatively on our reputation as an employer – at both business and Group level immediate reporting to Group HR is required.

Employee engagement in the context of the demerger

We understand that during times of change within organisations, colleagues can require extra support and engagement. Since we announced in March 2018 our intention to demerge M&GPrudential from the Group, we have embarked on a programme of engagement to ensure that colleagues are fully briefed on progress towards the demerger and the expected shape of the organisation afterwards. This has involved town hall meetings with senior management, smaller question-and-answer sessions with leadership, regular updates from senior management on progress, line managers playing a key role in demerger-related communications and encouraging colleagues to submit questions and concerns, with a commitment to respond as soon as practicable. The frequency of these two-way communications is increasing during 2019, as we move closer to the demerger.

We appreciate that managing and supporting our people through such a period of change is vital in ensuring that they remain engaged with the business, and we also recognise the value of the culture that we have built up in the business and are taking steps to ensure that culture is protected during the process of the demerger. Throughout our communications we have been stressing the importance of partnership, stewardship and ownership, key elements of our culture, and we are doing everything we can to ensure that our colleagues are aware that they have a stake in the future success of the demerged businesses.

Data protection and cyber security

For all businesses, the theft of large quantities of personal data has become increasingly common, at significant cost to consumers and businesses. For us, as for many other businesses, the impact of such events has the potential to be more severe in the future as our business changes and becomes increasingly digital. These types of incidents also have the potential to significantly impact on the continuity of our business, our customer relationships and our brand reputation, as well as to diminish customers' trust in engaging digitally with us and all businesses. The knock-on effect of this could be that many of the social benefits of new technology, such as enabling financial inclusion and greater access to primary healthcare, may not be realised. In this context, cyber risk remains a prominent concern and focus area for ourselves, regulators and businesses globally.

Our cyber strategy was rolled out during 2018, providing increased insight into our Group-wide information security performance. The strategy is designed to deliver against three objectives: to protect the business, comply with applicable laws and regulations, and support the growth of the business. A number of work streams underpin the delivery of the strategy, covering risk prevention, the Group-wide baseline of security controls and capability, and promoting resilience. This supports the business to prioritise and make informed, risk-based decisions. These benefits will continue to be delivered throughout 2019, as the strategy matures under the new Group Chief Information Security Officer.

A key element to managing cyber risk and strategies is to have good information, which our executives and other stakeholders across the business use to make good decisions. During the course

of 2018, 18 reports on topics such as the current performance of cyber security capabilities across the Group and the lessons learned from industry events have been provided to various executive committees including the Group Executive Committee and the Group Risk Committee.

Using a newly developed set of Group-wide cyber key performance indicators (KPIs) that map to international standards such as National Institute of Standards and Technology (NIST), senior executives are provided with a monthly update from Group-wide Information Security regarding the Group's cyber performance in key areas of cyber risk management. Our Group-wide cyber KPIs track a broad range of security domains on a monthly basis, including infrastructure oversight, asset management, incident response, awareness and compliance. An annual in-depth, evidence-based analysis of our Group-wide cyber capabilities, aligning to international standards was also completed. This information is brought together and further augmented by regular threat update papers and a benchmarking of ourselves against our peers across the globe to facilitate timely decision-making by senior business leaders across the Group. The analysis we conduct and the KPIs we gather are kept under constant review to ensure that they remain aligned to the business and that they continue to facilitate business decision-making and thus reduce cyber risk. Throughout the year, Board members, including non-executives, have received one-to-one training on cyber threats, including privacy, by a senior manager of the Group-wide Information Security team.

The Group-wide cyber assurance programme, which is based on standards like the NIST Cyber Security Framework, became operational in 2018. It has provided valuable insights regarding our capabilities and performance in the way we manage cyber risk across the business. The information and analysis provided by the Group-wide Oversight and Assurance team has been used in a number of ways to inform our cyber security-related choices. For example, it is used to provide senior executives with assurance that our cyber risk is being appropriately managed, while business unit leaders have used the insight to make better-informed and targeted investment decisions.

The programme continues to evolve to ensure that the way we manage cyber risk remains effective and includes all three elements of cyber risk management –

people, processes and technology. This is vital as changes to our business, the technologies we use and our operating environment continue to gather pace. For example, throughout 2018, we continually reviewed and made adjustments where necessary to our KPIs. This is to ensure that they provide appropriate oversight and cover areas of cyber risk that may have been introduced as a consequence of new technologies. Similarly, we continue to identify, adjust and review the cyber capabilities we need. The Group-wide policies and standards for information and cyber security, which were refreshed in 2018 to reflect the rapid advance in cyber threats, have been introduced and will be reviewed annually and adjusted where necessary to reflect a changing operational environment.

The Group has an established Cyber Threat Intelligence team that assists our businesses with understanding the cyber threats we face and provides guidance on how to protect and mitigate against these threats. We believe that knowledge sharing across our businesses is key to a mature intelligence function and we use a variety of mechanisms, including a Group-wide threat intelligence-sharing platform and weekly telephone conferences with representatives of business security teams, to ensure timely visibility and dissemination of intelligence to proactively defend the business. In the last year, we have further enhanced our collaboration tools and launched a weekly threat bulletin to provide situational awareness to a wider audience in information security.

Looking ahead to 2019 and recognising that the threat landscape will continue to evolve, we will continue to evolve and strengthen our cyber defences and management of cyber risk. To maximise effectiveness and efficiencies we are looking to establish global cyber centres of excellence. We will be exploring new machine learning and augmented intelligence technologies to identify if they can be used Group-wide to enhance and/or improve our understanding and management of cyber risk.

Communities

We take an active approach to managing ESG-related risks and tackling environmental and social challenges. Our strong contribution, harnessing the commitment of our people, continues to improve lives and build communities, wherever we work.

Our community investment strategy is closely aligned with our business purpose

Cha-Ching financial literacy programme

Prudential colleagues collaborated with Junior Achievement Kenya to provide financial literacy skills to children aged seven to 11 years using Cha-Ching education materials.

Volunteers acted as student mentors and shared their experiences of dealing with money, using the Cha-Ching concepts of Earn, Save, Spend and Donate. The programme culminated in a graduation ceremony, which provided a platform for pupils from different schools to come together and test their knowledge through a series of fun and engaging financial literacy games and challenges.



and with our stakeholders' concerns and interests, focused on four principal themes:

- Social inclusion;
- Education and life skills;
- Disaster preparedness; and
- Employee engagement.

We establish long-term relationships with our charity partners to ensure that the projects we support are sustainable, and we work closely with them to ensure that our programmes continuously improve.

Education and life skills

Cha-Ching – the first global financial education programme

Developed by Prudential to address financial illiteracy, Cha-Ching is a global financial responsibility and education platform. Now in its eighth year, the programme is aimed at primary school-age children and has expanded from its origins in Asia to each of the four continents where the Group does business. In all the markets where it has been launched it has been very positively received, with strong feedback from parents, teachers, children and political stakeholders. In Asia, the programme reaches over 34 million households a day through a multi-distribution platform including Cartoon Network Asia, and through its own standardised curriculum and school contact programme, has reached more than 400,000 children so far. The curriculum developed in partnership with Junior Achievement has continued to be well received during 2018 and rolled out to a further 180,000 students in Indonesia,

the Philippines, Malaysia and Thailand.

In the US, the Jackson Charitable Foundation has brought Cha-Ching to more than 2.7 million elementary school students since 2017 through partnerships with Junior Achievement USA and Discovery Education. The Cha-Ching videos and lessons have been integrated into Junior Achievement's third grade classroom programme. Each year, schools across the country have the chance to win US\$10,000 to increase financial education at their school and US\$1,000 to donate to a charity of their choice through the Cha-Ching Money Smart Kids Pledge Challenge in the US.

In the UK, working with Young Enterprise, we have developed an online educational resource for primary school students in England and Wales that has enabled the Cha-Ching programme to be brought into the classroom. The Quality Marked teaching resource is linked to the Personal Finance Education Group's Financial Education Framework and has guidance for teachers on how most effectively to integrate activities into their teaching, as well as activities for home-learning. Since launch in late 2016, the resource has been downloaded 28,478 times in 1,179 schools across the UK.

In other markets, the online educational resource has also been utilised to support the roll-out of the Cha-Ching programme across our African markets as part of a financial literacy campaign, delivered jointly by Junior Achievement Africa and Prudential Africa employees. Cha-Ching

was launched in Poland in 2015 and the first 10 films were translated into Polish and aired on several children's television channels. A website with materials for children and teachers was created to share in local schools.

First Read – investing in early childhood development

Prudence Foundation has funded and supported the First Read programme since 2013, partnering with Save the Children to focus on investing in early childhood care and development in Cambodia and the Philippines. First Read helps parents to develop their children's numeracy and literacy skills by providing books in the local language or dialect, and encouraging them to read, sing and count together. It also helps parents understand the importance of healthy and nutritious food for children's development. Since 2013, more than 300,000 children aged up to six and their parents have benefited through this home-based early childhood development programme, while over 700,000 people have also benefited indirectly through shared knowledge and resources.

A new three-year partnership formed with the China Development Research Foundation will comprise two programmes, focusing on rural education and child health; and on nutrition improvement. Both programmes are aligned with the strategic development focus of the Chinese national government and will be delivered in rural China.

Employee volunteering

Jackson's charitable efforts are focused on strengthening families and increasing economic opportunities in the communities we call home. Our employees work together for a common cause, which helps them build stronger bonds and valuable skills.

Jackson employees volunteer with Chicago Youth Programmes throughout the year, mentoring students from under-resourced neighbourhoods, serving as important role models and creating a safe space for students to grow, learn and have fun.



Jackson Charitable Foundation teams up with Ramsey Education

In 2018, in addition to Cha-Ching, Jackson Charitable Foundation sponsored Ramsey Education's *Foundations in Personal Finance* curriculum in 250 high schools across the country. The Foundation, which has a mission to advance financial knowledge on a national scale, has teamed up with Ramsey Education to ensure that more than 20,000 high school students have access to this critical, financial education programme that teaches valuable skills to prepare them for a life of financial freedom. More than three million students have benefited from Foundations in Personal Finance in middle schools, high schools and universities nationwide. Foundations in Personal Finance can be used as a primary resource to fulfil requirements in mathematics, economics, family consumer science, business mathematics and personal finance. Educators who use this programme see their students build confidence, security and hope. They share stories of students going to college debt-free, paying cash for their first car, or even helping their parents learn about the importance of an emergency fund.

Nashville associates further financial education with Junior Achievement Career Exploration Centre

Jackson and its employees donated more than US\$150,000 to sponsor the Jackson Career Exploration Center at the brand-new Junior Achievement Finance Park in Middle Tennessee. The interactive personal finance facility will reach older students with a hands-on experiential budgeting simulation facility where students convene for 13 teacher-led lessons. The hands-on experience helps students build a foundation to make smart financial decisions related to income, expenses, savings and understanding credit.

Supporting young people with employability and financial skills

M&GPrudential is a partner member of the KickStart Money primary financial education programme. The programme aims to reach 20,000 primary school children and focuses on saving, budgeting, careers, borrowing and consumer and public finance.

Through three secondary school partnerships in Paddington, Reading and Stirling, M&GPrudential has also been directly involved in building the knowledge and skills of young people. These partnerships have supported over 4,100 young people since 2013, with 370 employees giving their time and sharing their knowledge and skills.

Secondary school scholarships across Africa

In our markets in Africa we have committed to provide support for academically able but financially disadvantaged high school students, and to help build capacity for training in actuarial sciences at local universities. Prudential has worked with several charities operating in Ghana, Kenya, Uganda and Zambia to deliver the Prudential Scholarship Programme with the aim of improving quality and access to education for all, and ensuring that everyone marginalised by society receives education, skills and support towards employability. The Prudential Scholarship Programme has supported more than 7,000 academically able but financially disadvantaged high school students to complete their secondary education over either four or five years of high school. This has included financial bursaries to cover the cost of school fees and boarding fees where necessary, uniforms and books, as well as a programme to upgrade conditions to increase attendance at three schools in Uganda.

Disaster readiness and relief **Helping to make Asia more prepared and safer**

Safe Steps is a first-of-its-kind, in terms of reach and breadth of partnerships, pan-Asian public service initiative to enhance awareness through the dissemination of educational survival tips for natural disasters, road safety and first aid. The programme was created and developed by Prudence Foundation in partnership with National Geographic and the International Federation of Red Cross and Red Crescent Societies. It is a multi-platform programme including on-air video messages and informative website and educational collateral that can be shared among communities. At its core, Safe Steps utilises one-minute videos to provide simple to understand messages on how to be prepared and stay safe in three areas that cause unnecessary loss of life: natural disasters (launched 2014), road safety (2016) and first aid (2017).

The programme continues to reach an estimated 250 million people every day across Asia, through partnerships with government, humanitarian and private sector organisations. In 2018, new partnerships were formed in Cambodia, Hong Kong, the Philippines, Singapore and Vietnam. For example, Prudence Foundation and Prudential Singapore embarked on a new partnership with the Singapore Red Cross Society, focusing on a mass community first aid training programme aimed at the younger demographic.

Safe Schools programme

Asia Pacific is the world's most disaster-prone region, and the Prudence Foundation continues to focus on disaster preparedness, relief and recovery in our Asia markets. Prudence Foundation works with the humanitarian, government and private sector to help communities better prepare for such disasters before they strike, as well as providing support at times of emergency response and recovery.

During 2018, Prudence Foundation continued to support the Safe Schools programme, partnering with Plan International and Save the Children in Cambodia, Indonesia, the Philippines, Thailand and Vietnam. The programme focuses on capacity-building for students, teachers and local community members on disaster preparedness. Since 2013, more than 85,000 students and 40,000 adults have participated.

In 2018, the Foundation formed a new partnership with Save the Children and the Philippines' Department of Education to implement a nationwide focused programme. The three-year programme will aim to develop a disaster risk reduction management information system, together with training and capacity building of teachers and local government officials. This innovative new approach to Safe Schools aims to ensure that every school in the Philippines will be able to benefit from the Safe Schools programme, providing the Department of Education with the information to help allocate its resources and expertise to support the ongoing implementation of the global and ASEAN Comprehensive Safe Schools framework.

Volunteering to support communities in need

During 2018, Prudence Foundation formed a partnership with Habitat for Humanity to implement a regional volunteering programme that supports communities in need, complementing the volunteer support we provide when appropriate during disaster recovery. In April 2018, over 70 volunteers from across the region spent one week in Yogyakarta, Indonesia, helping to build homes for those in need and an early childhood development centre. In November 2018, the Foundation led another group of more than 80 regional volunteers to Siem Reap in Cambodia to build houses for families desperate for new homes and support the refurbishment of a primary school. During 2018 the Foundation provided support to help with relief and recovery efforts in Taiwan (following the Hualien earthquake) and Laos (following the flooding). In 2019, we will also be supporting longer-term recovery in Lombok and Sulawesi, Indonesia which were both severely affected by natural disasters in 2018.

Safe Steps

Safe Steps is a pan-Asian public service initiative to enhance awareness through the dissemination of educational survival tips for natural disasters, road safety and first aid. The programme was created and developed by Prudence Foundation in partnership with National Geographic and the International Federation of Red Cross and Red Crescent Societies. Prudence Foundation and Prudential Singapore embarked on a new partnership with the Singapore Red Cross Society in 2018, with a mass community first aid training programme aimed at younger people.



PruGOals

As part of our nationwide commitment to social inclusion in the UK, Prudential has developed the PruGOals programme in partnership with our four charity partners: Teach First, Transformation Trust, Greenhouse Sports and the Dame Kelly Holmes Trust.

PruGOals aims to empower young people to achieve their goals, focusing on building confidence, raising aspirations and increasing self-esteem. The core programme takes the riders on a journey of commitment, endurance, training and fitness, and culminates in taking on the Prudential RideLondon-Surrey 46.



Emergency fund relief

Prudential has been a Group-level supporter of Save the Children since 2010 and is one of the Children's Emergency Fund's major supporters. This allows us to act swiftly when disasters occur in any of our markets and provides an instant, effective fundraising mechanism for employees when needed. In 2018 Save the Children's emergency fund was used 93 times across 35 countries, and helped to reach over 2.1 million people affected by emergencies with life-saving support.

Social inclusion

Commitment to social inclusion in the UK through Prudential RideLondon

Prudential RideLondon has established itself as a major mass-participation and charity fundraising event in the UK, and in the past six years, has raised more than £66 million for charity. In 2018 it raised more than £13 million for charity to set a European record for a cycling event, beating the previous year's record of £12.75 million. There was a sharp rise in the number of participants riding for charity – 55 per cent, up from 44 per cent in 2017. More than 900 charities have benefited.

Prudential has sponsored the event since inception in 2013 and our own community engagement partnership, PruGOals, supported 420 16 to 18-year olds from 41 schools across the UK to improve their self-esteem, aspiration and educational outcomes. The PruGOals programme helps young people to achieve their goals regardless of social or economic background by providing aspirational challenges, culminating in taking on the Prudential RideLondon-Surrey 46. The 2018 post-event evaluation report from the charity Teach First reveals that students' 'resilience' and 'determination' rose by a third after completing the programme.

Enhancing later life

M&G Prudential's partnership with Royal Voluntary Service (RVS) continues with First Time for Everything. This programme aims to tackle loneliness and social isolation by encouraging 2,700 older people across the UK to stay active, engaged and connected to their community in 2018. Prudential has also continued to fund the Later Life Links programme with Age UK, providing long-term companionship, advice and practical help to older people. Running in six UK communities, the programme supported over 4,900 older people in 2018 through telephone and face-to-face support.

Working with purpose

In partnership with RVS we launched our 'Bring People Together' campaign, which seeks to encourage and empower more people to volunteer, particularly those aged 50 to 65. Specifically its aim is to inspire them to start their own activities or clubs for older people with the backing of RVS. From social activities and hobby classes to running a lunch club or providing companionship to older people in their homes, together we want to harness the get-up-and-go of pre-retirees by encouraging them to put their talents and life experience to valuable use by becoming volunteer co-ordinators. The programme aims to support the creation of 150 new groups and recruit 500 volunteer co-ordinators to lead them.

Apprenticeships in the UK

Youth unemployment remains a growing problem in the UK and M&G Prudential continues to help to shape future job prospects for young people. M&G Prudential's asset management and insurance businesses have run successful apprenticeship programmes for the last seven years, gaining recognition and awards for the success of the schemes. Over 300 apprentices have been through both programmes and over two-thirds of those who completed the programme secured ongoing employment with the business, while others chose to work elsewhere or moved on to higher education. In 2018, 15 Prudential UK apprentices joined the programmes, with an increased emphasis on recruitment from diverse backgrounds. All Prudential UK apprentices are on fixed-term contracts, with the exception of two graduate apprentices who are on permanent contracts. All M&G apprentices are offered permanent positions from the outset and UCAS points have been removed from graduate/internship applications to try and reach those from a low socio-economic background who may not have excelled at school but have done so at university. CVs have also been removed from the face-to-face interview stage, so that assessors are able to assess purely on potential, rather than being influenced by a candidate's background or experience.

Support for disadvantaged communities

M&G Prudential also continues to support disadvantaged communities near our offices and during 2018 over 200 charities received support either by donation or employee volunteering. The range of areas which received support is extensive and includes projects that relate to education, arts and heritage, children and youth, the environment, medical research and social and welfare matters. M&G Prudential continues to support many aspects of education and provides several on-site educational days for students at our London headquarters. M&G Prudential continued its support of City Giving Week with an on-site event which each day showcased several charities that have received support and highlighted the services they provide. The Lord Mayor of the City of London attended M&G's event as part of his initiative to promote the varied charitable activities undertaken by City businesses.

M&G Prudential continues to use its sponsorship of the RHS Chelsea Flower Show to support social issues through RHS outreach programmes including Greening Grey Britain, It's Your Neighbourhood and the RHS Campaign for School Gardening across the UK.

Employee volunteering Successful volunteering programme – Chairman's Challenge

Many of our employees play an active role in their communities through volunteering, charitable donations and fundraising. In the UK and Europe, the US and Asia we offer our employees the opportunity to support charities through payroll giving.

Chairman's Challenge is our flagship international volunteering programme, bringing together people from across the Group to help in their communities. Colleagues from across the Group give their time and skills to support our global charity partners, including Plan International, Help Age International and Junior Achievement.

The programme continues to appeal to colleagues, with the number of volunteers signing up increasing year-on-year. Last year 9,054 colleagues from around the world took part, volunteering over 49,000 hours to support 33 projects.

Each volunteering project focuses on one or more of our CR priorities and allows us to support both large, well established charities and innovative, smaller-scale activities with volunteers as well as financial support. Prudential donates £150 to our charity partners for every employee who registers for the programme. Charity partners use this money to seed-fund charitable projects for Prudential volunteers. Each year, employees across the Group are involved in the voting process to decide on the most innovative projects, which receive extra funding towards their charitable objectives.

Volunteering across the Group

As well as volunteering efforts on behalf of the Chairman's Challenge, employees around the Group volunteered on a huge range of other charitable projects, from providing relief following disasters to mentoring schoolchildren, supporting the elderly and skills-sharing. We recognise that employee volunteering brings benefit not only to the charities but also to the development of our people, and we actively encourage colleagues to participate in our programmes.

Charitable donations

We calculate our community investment spend using the internationally recognised London Benchmarking Group (LBG) standard. This includes cash donations to registered charitable organisations, as well as a cash equivalent for in-kind contributions.

In 2018, the Group spent £27.3 million supporting community activities. The direct cash donations to charitable organisations amounted to £19.6 million, of which approximately £4.4 million came from our UK and Europe operations. The remaining £15.2 million was contributed to charitable organisations by Jackson and Prudential Corporation Asia.

The cash contribution to charitable organisations from our UK and Europe operations is broken down as follows: education £2,337,000; social, welfare and environment £1,995,000 and cultural £64,000.

The balance includes in-kind donations as set out on the Group website at www.prudential.co.uk/responsibility/standards prepared in accordance with LBG guidelines. This included 11,710 employees who dedicated 117,491 hours of volunteer service in their communities. Furthermore, £479,633 was donated across the Group by our employees through our payroll giving scheme.

Political donations

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 UK Political Parties, Elections and Referendums Act 2000. The Group did not make any such donations or incur any such expenditure in 2018.