PRUDENTIAL

Listening. Understanding. Delivering.

CREATING A BETTER FUTURE, TOGETHER WITH YOU

Prudential Singapore
Environmental, Social and Governance Report 2022

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IN BRIEF

Highlights

Key achievements

72 life insurance, medical and savings plan products for individuals as of 31 December 2022

S$1,062 million annual premium equivalent in 2022

S$1 billion total equity

Making health and financial security accessible

Enhanced the Pulse experience to support users to improve their physical and mental health through Challenge Your Pulse, a daily mood tracker, self-awareness quizzes and curated mental wellness content

Launched **inclusive and bite-sized products** including PRUSafe Guard 22, PRUSafe Sports and PRUFirst Gift II

Nearly **4,000** children completed our financial literacy programme, Cha-Ching, with 84% reporting that the programme has taught them better money management

Stewarding the human impacts of climate change

Contributed to Group's **WACI reduction of 43%** in the carbon emissions of our investment portfolio

Completed divestment from fixed income assets with a 30% coal revenue threshold

Implemented an **Environmental Risk Management Policy** to identify and manage climate-related risks

Maintained the electricity consumption rate of our workplaces at 2021 levels despite a 70% increase in employee in-office attendance in 2022

Scope 1 and Scope 2 carbon emissions decreased by over 50% per full-time employee from our 2016 baseline, on track to meet our carbon neutral target by 2030

Building social capital

1,230 full-time and contract employees

Reduced our gender pay gap to (0.3)%

52% female participation rate for senior managers and above

Clocked more than **40,000** in **total learning hours**

Over **200** early adopters of **PRUAnywhere**, which enables employees to work from alternative workspaces

Responsible investment

Continued our **active engagement with companies** responsible for 65% of the absolute carbon emissions in our investment portfolio

Provided ESG ratings for all applicable investment-linked policy (ILP) funds

100% of our portfolios are ESG-screened by applying the minimum ESG threshold on funds and underlying investments

Good governance and responsible business practices

Spent over **S$259 million** locally across **89%** of our supplier base, S$153 million more than 2021

Decrease of **40%** in the total number of complaints received since 2020

Established the **Prudential Award for Ethics and Conduct,** which recognises financial consultants for outstanding compliance and conduct standards

Community engagement and investment

9,660 total volunteering hours, reaching **7,300** individuals & **1,100** KidSTART families

Extended the Senior's Wellbeing Masterclass programme to include financial literacy, benefitting more than **280 seniors**

Raised over **S$285,000** for the Prudential Longevity Pledge that benefits vulnerable groups in the community

Membership associations

- Asian Venture Philanthropy Network
- Blockchain Association Singapore (BAS)
- British Chamber of Commerce Singapore
- Business Ethics Leadership Alliance
- Community Chest
- Council for Third Age
- European Chamber of Commerce (Singapore)
- Global-Asia Insurance Partnership Ltd (GAIP)
- Life Insurance Association Singapore
- Life Office Management Association (LOMA)
- Singapore Business Federation
- Singapore College of Insurance
- Singapore FinTech Association
- Singapore Insurance Employees' Union
- Singapore International Chamber of Commerce
- Singapore National Employers Federation
- Singapore Press Club

Awards

Award/Certification	Organisation
Employer of the Year, Annual Business Award	British Chamber of Commerce Singapore
SkillsFuture Employer Awards, Gold	SkillsFuture Singapore
Best Use of Recruitment Technology Tools, Silver	Employee Experience Awards 2022, Human Resources Online
Best Employee Insurance Provider, Silver	HR Vendors of the Year, Human Resources Online
Best Response to Covid-19, Silver	HR Vendors of the Year, Human Resources Online
Excellence in Business Transformation, Silver	HR Excellence Awards 2022, Human Resources Online
Asia's Best Community Impact Reporting, Bronze	Asia Sustainability Reporting Awards 2021, CSRWorks International
Community Spirit Award	People Association
Friends of MSF Award	Ministry of Social and Family Development
Charity Platinum Award	Community Chest
Volunteer Partner Award	Community Chest
Champion of Good	National Volunteer & Philanthropy Centre

CEO's message

The concept of "polycrisis" was first introduced by the French philosopher, sociologist, and complexity theorist Edgar Morin and co-author Anne Brigitte Kern in their 1999 book *Homeland Earth: A Manifesto for a New Millennium*. They wrote of "interwoven and overlapping crises" affecting humanity and argued that the most critical problem was not any single threat but the "complex intersolidarity of problems, antagonisms, crises, uncontrollable processes, and the general crisis of the planet"[1] - a phenomenon they named the polycrisis.

2022 was a difficult year as the world entered an era of deep uncertainty and vulnerability arising from multiple underlying causes, in other words, a polycrisis. We saw Russia's invasion of Ukraine leading to a global energy crisis, price volatility, supply shortages, security issues and economic uncertainty. Singapore's core inflation rate rose to over 5% in September before easing in October, however, cost of living remains a key concern for its residents.

In 2022, we also saw some successes and failures at the 27th UN Climate Change Conference (COP27). A point of contention was on fossil fuels. Governments failed to commit to phase out all fossil fuels, restating instead the previous year's pledge that they would be "accelerating efforts towards the phasedown of unabated coal power and phase-out of inefficient fossil fuel subsidies"[2]. A key success worth celebrating was the historic decision made by countries to establish and operationalise a loss and damage fund, particularly for developing countries most vulnerable to the climate crisis. This is vital for Singapore as a major financial hub in Asia as we exist in a region where some of these developing countries are. Our level of interdependence on each other is immense – in financial flows, trade, direct investment and many other forms of economic and social capital exchange.

As challenging situations persist, it is critical that we do not lose sight of our long-term goal of integrating ESG into our business strategy, and that we stay nimble and attuned to an evolving landscape. As a leading insurer in Singapore, we are continuing to address these challenges as best as we can. We have remained focused on our purpose to help people get the most out of life so that their health and wealth are protected, their livelihoods are guarded against the impacts of climate change and their social networks are nurtured to function effectively in society.

Helping people thrive

We continue to make health and financial security accessible, affordable and inclusive through digital health innovation. Core to this is Pulse by Prudential, our health and wellness app, which uses AI-powered features and personalised services to help users better manage their health and wealth. Since its launch in Singapore in 2020, we have been enhancing the platform, giving users access to health and wealth services at their fingertips. In 2022, we continued to innovate and develop inclusive products and services that are more accessible and affordable to serve Singapore residents across all demographics.

Building a greener future

To reach net zero by 2050, we need effective transition strategies. Decarbonising must be implemented in a well-thought-out manner to avoid any unintended social consequences. The inaugural Transition Finance towards Net Zero conference, held in Singapore in October 2022, saw policymakers, regulators, academics, and financial institutions coming together to mobilise capital to help economies and corporates decarbonise. Collective effort is crucial across the entire ecosystem, at scale and with speed.

In 2022, our Group published a paper on Supporting a Just and Inclusive Transition, where we outlined three ways in which we as a Group are approaching a fair transition: (a) raising awareness on the challenges for emerging markets in the energy transition and developing solutions; (b) responsible investment must act as a key driver to build a greener future; and (c) we need to start viewing the challenges of the transition through broadened perspectives because climate change touches on other aspects including health, gender, and vulnerable communities.

Leading by example

Equally important in our ESG strategy is building social capital, an area where we want to lead by example by building trusted relationships with our stakeholders including our people. In 2021, we narrowed our gender pay gap for senior managers and above to 1.3%. We then set a more ambitious target to close it to zero from 2022 to 2024. In 2022, we probed deeper into this target and asked ourselves what a zero definition means in this context. To support all genders, we arrived at a range of between 0.5% and (0.5%), a target that we will be upholding over the next three years. We are pleased to share that in 2022, we achieved (0.3%).

Imagine possibilities for a better future

As Tharman Shanmugaratnam, Senior Minister and Chairman of the Monetary Authority of Singapore, once remarked: "We have to prepare for the future, not on the basis of what we hope to see, but what is possible."[3] I share this sentiment because companies can only succeed when they gear up for uncertainty, however this alone is insufficient. Companies must consider opportunities for innovation, re-imagine solutions and actively explore new public-private sector collaborations to achieve even greater impact.

As you leaf through the pages of our fourth ESG report, I hope you will find inspiration to innovate, imagine possibilities and look broadly as we think of sustainable solutions to address today's obstacles.

Dennis Tan
Managing Director, Strategic Business Group and CEO, Prudential Singapore

We have remained focused on our purpose to help people get the most out of life so that their health and wealth are protected, their livelihoods are guarded against the impacts of climate change, and their social networks are nurtured to function effectively in society.

1 What is a global polycrisis, Cascade Institute, April 2022
2 COP27: Loss and Damage fund is welcome but failure to deliver on phasing out fossil fuels is a huge setback, November 2022
3 Responding to a perfect long storm

About Prudential Singapore

Prudential Assurance Company Singapore (Pte) Limited, an indirect wholly-owned subsidiary of Prudential plc, is one of the leading life insurance companies in Singapore. Since 1931, we have been serving the financial and protection needs of the country's citizens for over 90 years. As one of the market leaders in protection, savings, and investment-linked plans, we are committed to helping our customers get the most out of life by taking care of their health and wealth needs.

Company profile

Company name	Prudential Assurance Company Singapore (PACS)	
Location	**Location of operations:** 30 Cecil Street #30-01 Prudential Tower Singapore 049712	**Location of headquarters:** Prudential plc 1 Angel Court, London England EC2R 7AG, United Kingdom
Value chain	**Activities:** We deliver a suite of product offerings in protection, savings and investment through multiple distribution channels, including a network of more than 5,000 financial consultants. We serve approximately one million Singapore residents and provide specialised enterprise business solutions to large corporates and small and medium-sized enterprises (SMEs).	**Products and services:** Currently we have 72 life insurance, medical and saving plan products for individuals.
	Market and sector: We operate in the financial services sector and serve the insurance market in Singapore.	**Suppliers:** As of 31 December 2022, 89% of our suppliers are based in Singapore. More information on our suppliers can be found under on *Responsible procurement practices* section.
	Bancassurance Partnerships: We have exclusive bancassurance partnerships with United Overseas Bank (UOB) and Standard Chartered Bank (SCB). Please refer to the Partnership Distribution section in the 2022 Annual Report for more information.	**Other Business Partnerships:** Our partnership with NTUC Income aims to close protection gaps in long-term care for more Singaporeans. We achieve this by making Care Secure, a CareShield Life supplement plan by NTUC Income, available through Prudential Singapore's extensive network of financial consultants. Additionally, we also have partnerships with companies such as Shopback, Carousell and Foodpanda to serve a wider audience.
Funds and financial rating	**Funds under management:** S$49.4 billion as of 31 December 2022.	**Financial rating:** AA- Financial Strength Rating from leading credit rating agency Standard & Poor's.

Our other corporate offices span across the following locations in Singapore:

- Marina One East Tower, 7 Straits View, #06/07-01, Singapore 018936
- Prudential@Scotts, 51 Scotts Road, #01-01, Singapore 228241
- UE Bizhub West, 450 Alexandra Road, #06-01, Singapore 119960
- Parkview Square, 600 North Bridge Road, #08-01/02/03, Singapore 188778
- Goldbell Towers, 47 Scotts Road, #02-01/02, #15-00, #17-04, #18-02, Singapore 228233

There have been no significant changes to the active sector, value chain and other business relationships of Prudential Singapore compared to prior reporting period.

Purpose and values

Our purpose is to help people get the most out of life. We strive to achieve this by making healthcare accessible and affordable, helping people protect their wealth and grow their assets, and empowering our customers to save for their goals.

Our success is enabled by our purpose and our five values of **Ambitious, Curious, Empathetic, Courageous and Nimble.** These values and the behaviours underpinning each guide us in how we operate and interact with our people, customers, partners and the community.

- A Ambitious
- C Curious
- Em Empathetic
- Co Courageous
- N Nimble

Governance

Please refer to our Governance structure in our 2022 Annual Report.

OUR APPROACH

Our ESG strategy

Our purpose and ESG strategy remain guided by our Group-wide strategic framework that focuses on three key pillars:

1. Making health and financial security accessible;

2. Stewarding the human impacts of climate change; and

3. Building social capital.

A common thread that binds our ESG strategy is inclusivity. For example, to help people thrive, we ensure that our products and services are inclusive; to build a greener future, we want to ensure that the transition to a low carbon economy is a just and inclusive one for all; and to lead by example, we must continue to be diverse and inclusive in the workplace.

THE PILLARS AND FOCUS AREAS ARE:

CORPORATE PURPOSE

Helping people get the most out of life

Making health and financial security accessible

- Digital health innovation
- Inclusive offerings
- Promoting financial literacy

Building social capital

- Digital responsibility
- People responsibility

Stewarding the human impacts of climate change

- Decarbonising our investment portfolio
- Supporting an inclusive transition

The following strategic enablers support these pillars:

Good governance and responsible business practices

Responsible investment

Community engagement and investment

What shapes our approach

Materiality assessment

Now more than ever, global challenges remind us that material issues such as climate change and digital innovation have significant impacts on not only our business, but also on the environment, economy, and society. While we try to identify and mitigate these issues, our relationships with our stakeholders mean that we can be directly and indirectly exposed to the issues that they confront. Hence, our materiality assessment helps us to gain a better understanding of our stakeholders' areas of concerns and where we can influence and create significant impact as a business.

Our most recent assessment was carried out in 2022 in line with the GRI Universal Standards 2021 and in alignment with Group, which as a Hong-Kong listed company is required to follow the requirements of the Hong Kong Exchanges and Clearing (HKEX), as well as the UK Listing Rules. This approach saw greater engagement with an increased number of stakeholders not just in Singapore but across our Group's key businesses, as well as tighter alignment with our Group's material topics.

Process to determine material impacts

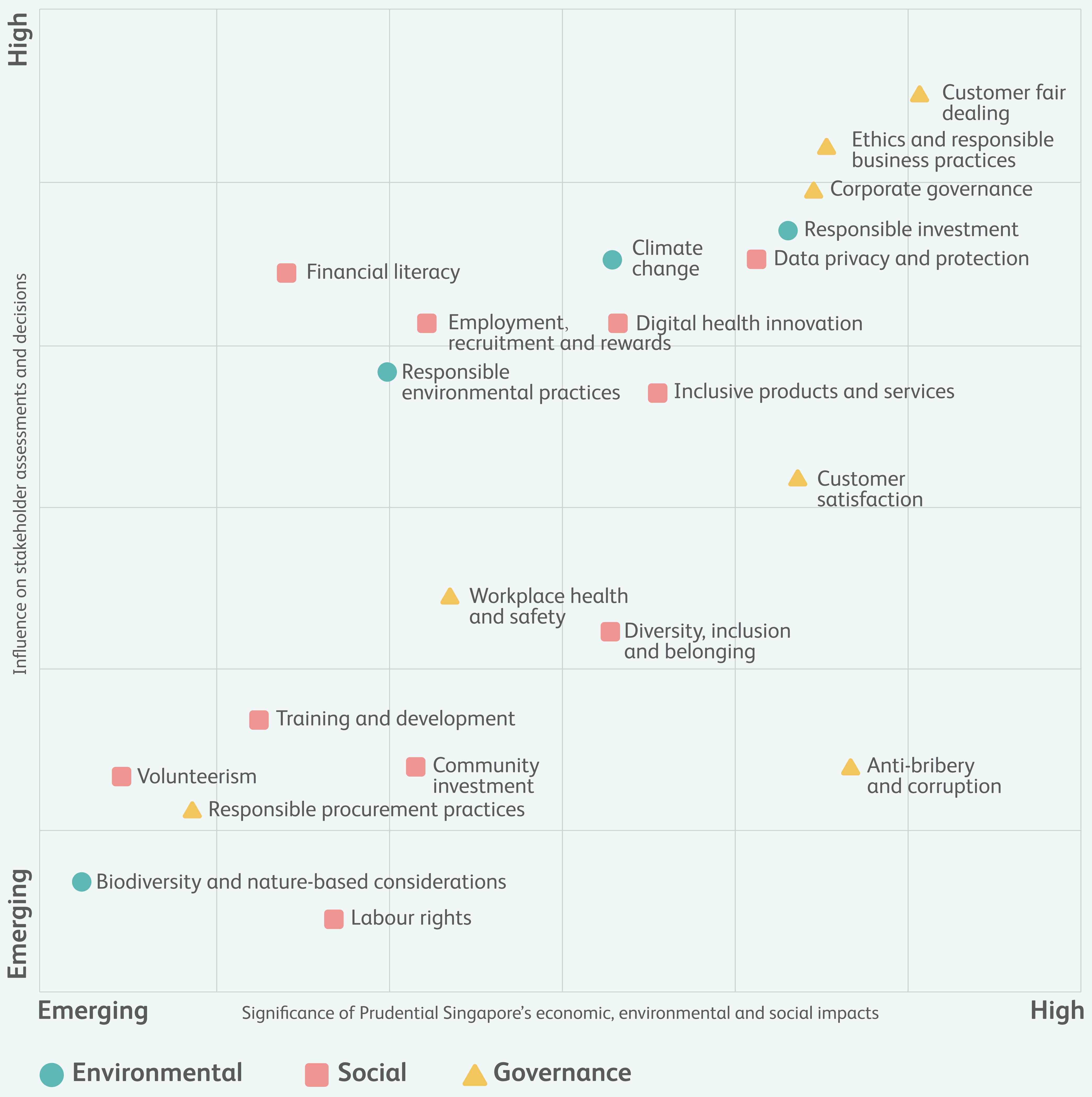
STEP		
1	Understand the organisation's context	We undertook a collaborative effort with Group in 2022 which involved examining our prior material topics from 2021 and conducting peer reviews. We also considered our purpose, values and ESG strategy, as well as the types of activities, products and services, and business relationships we have. This resulted in a list of 21 topics.
2	Identify actual and potential impacts	We identified actual and potential impacts on the economy, environment and people, across our activities and business relationships. This was done by carrying out our own internal assessment with various stakeholders within the company and reviewing our current policies. We also relied on our risk management framework which provides an assessment of existing and emerging risks that may result in positive and negative impacts, short-term and long-term impacts, intended and unintended impacts as well as reversible and irreversible impacts.
3	Assess the significance of the impacts	This step involved quantitative and qualitative analysis. We consulted with relevant stakeholders and business relationships[4] to assess the significance of our impacts.
4	Prioritise the most significant impacts for reporting	To determine our material topics for reporting, we prioritised each topic's impacts based on their significance to our business and our ability to influence/impact. Prioritisation allowed us to direct our resources to better address the impacts while taking into consideration our stakeholders' concerns. In Singapore, we engaged with our stakeholder groups through ongoing interactions to determine ESG topics that were most important to them. Based on this, the ESG Committee reviewed these topics and prioritised them for reporting. This supplemented our Group's process, where we also contributed to a materiality workshop involving senior business and functional leaders across the organisation.
5	Approval of the material topics	With the data collected, the results were aggregated into a materiality map and reviewed by our ESG Committee and Ethics Committee before obtaining the final approval and validation from our Board.

4 Business relationships: Relationships that we have with business partners, with entities in our value chain including those beyond the first tier, and with any other entities directly linked to our operations, products or services. [Source: GRI, United Nations (UN)]

The following table on the right provides the full list of our material topics and any changes compared to the previous reporting year.

Material topics	Changes to the list of material topics compared to the previous reporting period	Mapping of ESG topics based on GRI requirements
Strategic pillar: Making health and financial security accessible		
Digital health innovation	Digital health innovation was previously referred to as Technology enablement	Non-GRI topic
Inclusive products and services	Inclusive products and services is a new topic	
Financial literacy	Financial inclusion was changed to Financial literacy	
Strategic pillar: Stewarding the human impacts of climate change		
Climate change	Climate change and responsible environmental practices remain unchanged	Non-GRI topic
Biodiversity and nature-based solutions	Biodiversity and nature-based solutions was added as a new and emerging topic to align with our Group based on investors' feedback	
Responsible environmental practices		
Strategic pillar: Building social capital		
Data privacy and protection	Data privacy and protection was previously known as Customer privacyand data protection	GRI 418 Customer Privacy
Diversity, inclusion and belonging	Diversity, inclusion and belonging was previously termed Diversity and equal opportunity	GRI 401 Employment
Employment, rewards and recruitment	Employment, rewards and recruitment was previously termed Employment	GRI 405 Diversity and Equal Opportunity
Labour rights	Labour rights is a new material topic identified in 2022	
Training and development		GRI 404 Training and Education
Strategic enabler: Responsible investment		
Responsible investment		Non-GRI topic
Strategic enabler: Good governance and responsible business practices		
Corporate governance		GRI 204 Procurement Practices GRI 205 Anti-Corruption
Anti-bribery and corruption		
Ethics		
Responsible procurement practices	Responsible procurement practices is a new material topic identified in 2022	
Workplace health and safety		
Customer satisfaction		
Customer fair dealing	Customer fair dealing was previously worded as Fair dealing for customer	
Strategic enabler: Community engagement and investment		
Community investment	The previous topic of supporting vulnerable communities was expanded to cover community investment and volunteerism	GRI 413 Local Communities
Volunteerism		

Materiality Matrix



Inclusive products and services

Digital health innovation

MAKING HEALTH AND FINANCIAL SECURITY ACCESSIBLE SECTION ON PG **21** >

Data privacy and protection

Diversity, inclusion and belonging

BUILDING SOCIAL CAPTIAL SECTION ON PG **40** >

Responsible investment

RESPONSIBLE INVESTMENT SECTION ON PG **51** >

Climate change

CLIMATE CHANGE SECTION ON PG **26** >

Customer fair dealing

Customer satisfaction

Ethics and responsible business practices

Corporate governance

GOOD GOVERNANCE AND RESPONSIBLE BUSINESS PRACTICES SECTION ON PG **56** >

The top material topics that are most significant to our business and stakeholders are: customer fair dealing, ethics and responsible business, corporate governance, responsible investment, data privacy and protection, digital health innovation and climate change. In 2022, social- and governance-related issues became more salient even though climate-related issues remain material. Our materiality assessment is constantly updated so that we can better understand and respond to these evolving changes to create positive impacts and mitigate negative ones. The top topics are aligned with our ESG strategy and are covered in greater detail within this report.

Stakeholder engagement

Stakeholder engagement and collaboration are crucial to understanding our impacts and driving efforts towards more sustainable operations. We do this through active engagement and reciprocal communication throughout the year. Having a thorough understanding of our stakeholder needs enables us to design products and services that maximise our positive impact on the economy, environment and society. We have identified the following stakeholders who influence, and are impacted by, our operations: regulator, government, investors, customers, employees, distributors, suppliers and community partners.

We use our materiality analysis, customer surveys and direct engagement with a diverse range of stakeholders to shape our strategy, activities and reporting. From 2019, we have been engaging with our stakeholders through normal-course interaction on ESG topics. We started conducting ESG surveys in 2020 with specific stakeholder groups to find out more about ESG topics that they are most concerned with. These include employees, customers, distributors, financial institution partners and civil society.

In 2022, our stakeholder engagement covered the following:

- **Normal-course interaction** with the government, regulator, investors, financial institution partners, distributors (bancassurance and new partners) and suppliers.
- **A refreshed ESG survey** containing a list of 21 material topics conducted with employees, customers and agency distributors as part of a broader Group-wide engagement.

Our **main stakeholder engagement activities** are summarised below:

Stakeholder group	Mode of engagement	Frequency	Purpose of engagement	How we seek meaningful engagement with our stakeholders	Areas of interest	Our response
Regulator	Regulatory reporting/ notification	Monthly, quarterly, annually or as needed	Provide updates on our processes and initiatives Seek clarification and views on regulatory requirements and announcements Provide feedback on proposed regulatory changes	Proactively share our progress and insights on the regulatory focus areas Providing valuable feedback through our experiences when the regulator requests for our views MAS also shares regulatory focus areas with us, together with their views and observations from the industry through our engagement with them or through industry communications	Climate change, inclusive products and services, customer fair dealing, ethics and responsible business, corporate governance	Implemented the Environmental Risk Management Guidelines in 2022
	Meetings, inspections, regulator reviews, handling of queries and incident reporting	As needed				
	Workgroups, forums, dialogues, and events					
	Surveys and questionnaires					
	Company visits	Annually				
Government	Surveys and questionnaires	As needed	Provide on-the-ground feedback to and receive top-down feedback from government bodies, statutory boards and regulators Engage government bodies on issues linked to business and community priorities such as regulatory matters, people, skills, health and sustainability Understand and contribute to international and national-level policy and regulations	Government's feedback is recorded and taken into consideration during decision-making processes We have sustained, long-term programmes in interest areas to show our commitment to helping the community Exchange and sharing of insights and research reports with the government	Responsible investment, digital innovation, community investment, inclusive products and services, training and development, customer fair dealing	Responsible investment and decarbonisation targets Digital health innovation Community engagement and investment programmes People responsibility programmes Fair dealing for customers
	Participation in workgroups, forums, dialogues and events					
	Company visits					
Investors	Meetings	Annually	Investors are keen to find out what our objectives are and how they can help us achieve the objectives We engage with investors to identify key ESG expectations while investors provide feedback on how to achieve them	Investors' feedback is integrated into our ESG strategy, and they are informed of the way in which their feedback has influenced our strategy	Climate change, responsible investment, corporate governance, customer satisfaction, diversity and inclusion	Responsible investment and decarbonisation targets Good governance and responsible business practices Diversity and inclusion initiatives as part of building social capital

	Mode of engagement	Frequency	Purpose of engagement	How we seek meaningful engagement with our stakeholders	Areas of interest	Our response
Customers	PRUaccess	Always-On	Actively listen to customers' needs and concerns and keep up-to-date on customer developments Resolve incidents with urgency, or pre-empt escalating situations with speed and care Provide stronger support and better service to our customers	Initiate customer-focused communications from our end through servicing-focused circulars and events We monitor customer comments and feedback on numerous platforms and where relevant, we will take appropriate action to address our customers' concerns and act on their feedback or suggestions	Data privacy and protection, customer fair dealing, financial literacy, responsible investment, customer satisfaction	Responsible investment and decarbonisation targets Fair dealing for customers Good governance and responsible business practices
	Email					
	Customer Service Centre	Mondays to Fridays, 9:00am to 5:00pm				
	Video Servicing	On appointment basis				
	Contact Centre	Mondays to Fridays, 8:30am to 5:30pm				
	Voice-of-Customer Touch-point Satisfaction Programme, PRU for you Customer Community	Always-on				
	Emails, letters, various feedback channels eg focus group discussions, surveys and interviews	As needed				
Employees	Townhalls	At least twice yearly	Communicate progress, next steps and knowledge on upcoming initiatives that support staff wellbeing Gather feedback on important areas and identify progress on overall engagement and other relevant metrics Support employees' mental, physical and social wellbeing Deepen employees' sense of belonging with Prudential Singapore	Employees are informed by leaders on areas where we did well collectively We host an open-sharing segment where employees' anonymous questions are addressed by the core leadership team (CLT) Managers are encouraged to act on areas that are of concern to employees Employees are informed on how to deepen a sense of belonging through conversations Feedback received from employees informs our diversity, inclusion and belonging, and employee experience initiatives	Responsible environmental practices, employment, recruitment and rewards, workplace health and safety, ethics and responsible business, climate change	Energy, waste and water management People responsibility programmes Good governance and responsible business practices Ethical culture Responsible investment including decarbonisation of our investment portfolio
	Organisation-wide communications: Emails, workplace chat and video platforms, screensavers	Regularly				
	Recreation activities	Monthly				
	Group Engagement Surveys	Annually				
	Culture Connect Surveys	As needed				
	Collaboration Jam 2022	Yearly				
	Women In Tech (WIT) PRUFaculty	As needed				

	Mode of engagement	Frequency	Purpose of engagement	How we seek meaningful engagement with our stakeholders	Areas of interest	Our response
Distributors (Agency)	Agency Leader engagement sessions Agency working committee meetings Conferences Emails, PRUmessage, SMS Leaders Conference (regional conference for top 30 Leaders) FastTrack, Pioneers' Retreat, Quality Club Elite, Star Club, President's Club	Daily to weekly Monthly or as needed Twice yearly Regularly Annually	Update and discuss on work-related matters and issues Celebrate the agency's successes and awards through conventions Understand the needs and concerns of the agency and our customers	Frequent interactions with the agency through events, engagement sessions and meetings help strengthen our relationships We work through any issues quickly by identifying the problems together and implementing the right solutions Brainstorming on new ideas and suggestions also take place as part of our continuous process and product improvements	Customer satisfaction, inclusive products and services, customer fair dealing, training and development, ethics and responsible business	Fair dealing for customers Inclusive offerings Agency ethics and conduct award
Distribution (Bancassurance)	Meetings Training	Weekly Monthly	Obtain oversight on business performance and compliance matters Discuss product innovation, development and launch Plan for budgets and business initiatives for the next financial year	We develop digital and channel transformation initiatives together with our bank partners Feedback received from bancassurance partners during joint meetings are integrated into our decision-making processes	Inclusive products and services, responsible investment, customer fair dealing, data privacy and protection, digital health innovation	Responsible investment and decarbonisation targets Fair dealing for customers Digital responsibility
Distributors (New Partners)	Meetings	Weekly	Strive to form meaningful relationships with our partners through strategic partnerships and tactical initiatives	We approach our partners with an open mind for feedback and new ideas Constant data analysis is being performed across all partners which enables our team to continuously enhance each partnership	Data privacy and protection, customer satisfaction, corporate governance, digital innovation	Digital responsibility Good governance and responsible business practices Digital health innovation
Suppliers	Emails and meetings	As needed	Aim to get the best value for the services we are paying for by building positive reciprocal relationships and keeping our suppliers informed For ongoing due diligence, we monitor our service providers' delivery of service to ensure that third-party risks are managed throughout the end-to-end lifecycle, and that the service providers deliver their goods and services as promised	We communicate with suppliers whenever there are new standards or guidance such as the Supplier Code of Conduct, ESG circular and responsible sourcing guidelines Process changes such as changes to invoicing and additional controls are also communicated to suppliers on an ad hoc basis We conduct due diligence and service review meetings with suppliers on an annual basis Q&A channel is available for us to address our suppliers' queries and feedback	Responsible procurement practices, anti-bribery and corruption, data privacy and protection, digital innovation	Responsible Supplier Guidelines Good governance and responsible business practices Digital responsibility Digital health innovation
Civil Society	Meetings Impact assessment	Regularly Annually	Co-create meaningful interventions for our beneficiaries and subsequently ensure the smooth implementation of project plans	We have regular consultations with our community partners, and feedback is incorporated into our implementation programmes where relevant	Community investment, diversity, inclusion and belonging, volunteerism, responsible environmental practices, customer fair dealing, data privacy and protection	Community engagement and investment programmes People and digital responsibility Fair dealing for customers

ESG governance

At Prudential, our efforts to integrate ESG throughout our organisation are supported by strong governance structures with clear roles and accountabilities for designated employees. Our Board of Directors has primary oversight of our ESG strategy implementation and delegates responsibilities accordingly.

Due to the restructuring of local business units within the Group, Mark FitzPatrick was appointed Chairman of the Board of Directors while holding the position of Group Chief Executive Officer. The Nomination and Remuneration Committee has reviewed his background and other relevant information to ensure that this appointment would not give rise to a conflict of interest or any other concerns that would hamper his ability to discharge his duties in relation to Prudential Singapore.

Conflicts of Interest (COI) assessments are conducted when the directors or key executive persons intend to take up any directorships in other companies. The Nomination and Remuneration Committee will make the assessment on whether the proposed appointment would give rise to a conflict of interest with the director's/key executive person's responsibilities in Prudential Singapore, after which it will be considered and/or approved by the Board. Where the proposed appointment relating to a key executive person is approved by the Board, the Monetary Authority of Singapore will also be notified of such proposed appointment.

The ESG Committee (ESGC), led by our Head of ESG, has been tasked by the Board and is responsible for managing the company's impacts on the environment, economy and society.

Committee members consist of senior leadership from departments including Strategy, Investment, Risk and Compliance, Customer, Human Resources, Corporate Services, Corporate Affairs and Community Investment. In 2022, our CEO became a sponsor of the ESGC to further underline the importance of ESG integration into our overall business strategy and operations.

The ESGC's roles include:

- Providing oversight of the planning and execution of the company's ESG strategy;
- Monitoring and reviewing ESG implementation and corresponding actions to achieve targets, and ensuring that material topics remain relevant to our business and reflect the concerns of our stakeholders;
- Contributing to and reviewing our ESG-related reporting information, including the contents of this report and our disclosures under the Task Force on Climate-related Financial Disclosures (TCFD); and
- Reviewing and evaluating the committee's Terms of Reference and performance to ensure efficiency and impact while highlighting appropriate changes.

All departments with ESG targets are represented on the ESGC. The relevant committee members provide quarterly updates of their department's progress against their targets as well as the associated impacts while inviting other members to review and provide feedback. For example, the Investment team shares updates on our responsible investment strategy implementation, which includes tracking decarbonisation metrics such as Weighted Average Carbon Intensity (WACI) and coal divestment, and ESG-themed fund launches.

Due diligence and other processes to manage the organisation's impacts are driven by the relevant committee members, and the effectiveness of their projects are reviewed by the ESGC at least annually. We adhere to company-wide due diligence processes and our approach to managing impacts follows the same process strictly.

When it comes to sustainability reporting including climate-risk disclosures, the ESGC is responsible for reviewing and approving all content including the organisation's material topics. We also align with our Group on material topics, which are reviewed annually. Sustainability reporting information is subsequently reviewed by the Ethics Committee which is chaired by the CEO, and members include the Chief Risk Officer, Chief Distribution Officer, Chief Human Resources Officer and Head of Ethics. The final validation is conducted by the Board, signifying the responsibility we place on the highest governance body to review and approve ESG information.

To advance the collective knowledge, skills and experience of the highest governance body on sustainable development, we share relevant ESG training courses with our Board and ESGC on a regular basis for them to participate in. Through the training sessions completed for our Board in 2022, we covered the impacts of ESG on our operations, ESG terminologies, climate risk and ESG regulatory developments. In 2023, we will continue to inform the Board through quarterly Board Risk Committee updates on the latest ESG developments, regulatory requirements, implications on our business and ongoing targets and metrics.

Board evaluations are conducted on an annual basis, and no independent facilitator has been used for the evaluations. The results of the evaluations are considered by the Board and follow up actions are taken when necessary to enhance effectiveness of the Board in managing the organisation's impacts.

Prudential Singapore's ESG governance structure

Prudential plc Board and Management Committees*

Prudential Singapore Board of Directors

Board Risk Committee (BRC)

Chair: Non-Executive Director
Oversight of the Environmental Risk Management framework

Ethics Committee (EC)

Chair: Prudential Singapore CEO
Reviews and approves all ESG disclosures including TCFD

Investment Committee (IC)

Chair: Head of Investment
Oversees all investment activities across the company, including Responsible Investment

Risk Committee (RC)

Chair: Chief Risk Officer
Oversees the implementation of the EnRM policy across the company while monitoring environmental risk exposures across different time horizons

ESG Committee (ESGC)

Chair: Head of ESG
Oversees the implementation of our overall ESG framework, including environmental risk management and ESG disclosures

Responsible Investment Working Group (RIWG)

Chair: Head of Investment
Implementation of our Group RI policy and provides recommendations to both the IC and the ESGC, as well as monitoring and reporting investment performance, profile and exposures

Eastspring Investments Group Board of Directors

Executive Management Committee

Sustainability Committee

Workstreams

- Purpose
- Risk
- ESG Experts in Asia
- Innovation
- Responsible Investment

*Note: For more information on Group ESG governance, please refer to the Group ESG Report 2022 here

OUR ACTIVITY

Strategic pillars

Strategic enablers

Strategic Pillar: Making health and financial security accessible

"It's great to work for a company that has a strong ESG culture. Whether it's developing digital and inclusive solutions or volunteering our time, we're doing our part to help Singapore residents live a good life."

Angeline Alexander
Head of Digital Platforms

Digital health innovation

According to the *Digital for 100: Harnessing technology for longer lifespans report*[5] commissioned by Prudential Singapore and conducted by Economist Impact, digital technology plays a significant role in helping Singapore residents live well for longer. More than half (54%) of the 800 residents surveyed said mobile devices and apps are critical tools in preparing for rising longevity. Of those who are using technology to manage their wellbeing, 36% said digital tools have had the greatest positive impact on their financial situation, and 27% indicated personal health.

The use of technology continues to be a critical strategy for us in offering products and services to our customers. With Singapore's ageing population and its accompanying health and protection gap, it is important that we continue to leverage technology by making healthcare and insurance accessible and affordable. When we launched Pulse by Prudential (Pulse), our digital health and wellness app in Singapore in 2020, our vision for Pulse was to deliver the relevant products and services to empower customers to better-manage their health and wealth needs. Digital health innovation can bring positive impact to the environment, economy and people.

Pulse, for example:

a. Gives people access to online health and wealth services seamlessly;

b. Provides value to customers by offering them new health and wealth products or features beyond basic protection; and

c. Reaches untapped segments including previously uninsured people, especially when digital channels and partnerships create new introductory touchpoints.

We recognise that while technology acceleration and advancement have its benefits, it could also lead to the exclusion of certain underserved communities or alienate small segments of the population. For instance, we recognise that Pulse in its current form may be complex for seniors to use or may not be accessible to low-income families who cannot afford smartphones. We endeavour to make Pulse as user-friendly as possible, and we constantly look for alternative ways to support vulnerable communities through our community investment and engagement programmes.

The app is operated in line with local government laws, policies and regulations. Internal checks and balances are also in place to ensure that features and functionalities are implemented according to local regulatory and company guidelines.

With Pulse, users can access healthcare services such as the AI-powered Healthcheck and Symptom Checker to assess their physical health or make use of wealth tools such as Ruby, a digital assistant powered by AI that provides financial-related tips, as well as set and track their financial goals with My Goals. They can also purchase bite-sized insurance plans through the app.

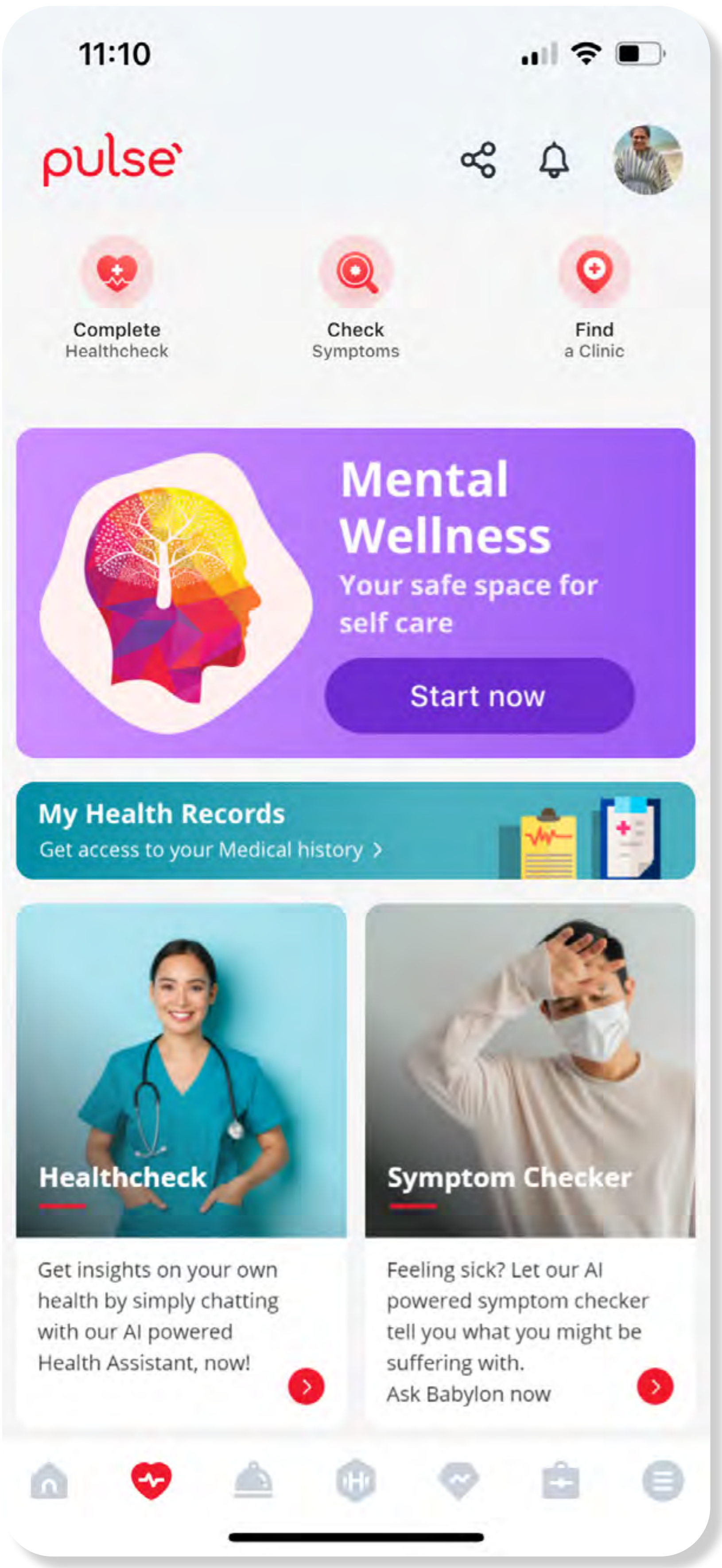
In 2022, our focus was to enhance the Pulse experience and to continue supporting users with their physical and mental health. To promote physical health and encourage people to maintain healthy habits, we launched Challenge Your Pulse – a series of walk, run, and ride geolocation-based challenge for Pulse users. From August to September 2022, individual users were required to check-in at various checkpoints along one of the five curated routes to complete a weekly challenge. Users were rewarded with points which could be instantly converted to retail vouchers.

A team version of the challenge was also held for customers of our Group insurance business. The team challenge was also open to individuals who formed a team of five, with teams rewarded for the most checkpoints cleared. In the future, we will continue to connect with users and empower them to take charge of their health journey through innovative engagements.

Through Pulse, we also promote positive mental health among users with the Mental Wellness feature. A daily mood tracker helps them to look for patterns in how their emotions may vary over time, while self-awareness quizzes help them to understand themselves better. Curated content targeting the improvement of one's mental wellbeing is also available on Pulse. Close to 2,000 users have explored the Mental Wellness feature since its launch in March 2022, and we will continue to develop our capabilities in mental wellness.

In 2021, we shared that we were planning for enhancements to support users in managing chronic diseases by making screenings for individuals with high cholesterol and high blood pressure available. This enhancement did not take place as we are continuing our search for suitable partners. To date, Pulse has seen close to 410,000 downloads since the launch in 2020.

To find out more about our digital health ecosystem, please refer to the *Innovative in health* section in our 2022 Annual Report.



In 2022, our focus was to enhance the Pulse experience and to continue supporting users with their physical and mental health.

5 https://impact.economist.com/projects/ready-for-100/harnessing-technology-for-longer-lifespans-article/

In 2022, we continued to provide bite-sized products, making health and financial security more accessible to more people.

Inclusive offerings

To help people thrive, we are deliberate in ensuring that our products and services are affordable, diverse and inclusive. One of the positive impacts of inclusive offerings includes providing people from underserved segments with access to health and financial security, helping to improve their quality of life. These segments include women, families, and small and medium-sized enterprises (SMEs) in Singapore.

Inclusive offerings bring positive impact to people and the economy, however, there are still underserved communities or segments who may not be able to access our products and services such as the elderly, low-income families and people in poor health. This is due to limitations such as minimum and maximum entry age, minimum premium and exclusions of pre-existing conditions imposed on our products to manage the claims risks. These exist because as a business, we need to be mindful that higher claims may result in higher premiums for most of the population.

While there are no mandated policies regarding inclusive offerings in our product development process, we are cognisant that considerations for underserved segments are built into our ideation process. To prevent or mitigate potential negative impacts, we conduct regular claims and pricing assessments to manage the risk of claims.

In 2022, we continued to provide bite-sized products, making health and financial security more accessible to more people.

Examples of our inclusive offerings are:

- **PRUSafe Guard 22**, a specific, affordable and simple bite-sized protection plan that helps customers guard against 21 infectious diseases upon diagnosis, as well as Covid-19 upon hospitalisation. This is a six-month term coverage which costs a flat rate of S$26 and can be easily purchased on Pulse. No medical underwriting is required.
- **PRUSafe Sports**, an affordable plan for active, sports-loving individuals and student athletes that protects against sports injuries. This is also a bite-sized plan on Pulse that comes with a 12-month term coverage for only S$58, regardless of age and gender. Benefits include coverage for bone fracture, daily hospital cash and medical reimbursement.
- **PRUFirst Gift II**, a product for women that protects expecting mothers and babies from as early as week 13 of pregnancy and covers complications during pregnancy and childbirth. The newborn also enjoys secured lifelong protection with the potential for long-term wealth growth. Assisted pregnancies such as In-Vitro Fertilisation is also covered under this plan.

In 2021, we launched PRUSafe COVIDCover, a complimentary insurance plan that provides financial protection in case of hospitalisation due to the side effects of the Covid-19 vaccination. In 2022, we extended the coverage for all customers until the end of 2023. We also offered complimentary coverage to children and youths aged five to 17 years. Those eligible will receive a cash allowance of S$100 per day of hospitalisation for up to 14 days, should they be hospitalised within seven days of receiving each vaccination dosage. This includes the booster dose for individuals aged 12 and above.

In supporting SMEs with their employee benefits and digital transformation journey, we introduced Business@Pulse, a digital solution in 2022 to help SME employees manage their group insurance conveniently and seamlessly. Through Business@Pulse, they will be able to view their medical and employee benefits and submit claims through the Pulse app, at any time, and from anywhere. Business@Pulse also enables the human resources teams and business owners to manage their group insurance and process employees' claims more easily.

Looking ahead, we will continue to monitor and evaluate market demand and distill learnings from our existing offerings to better meet the needs of underserved populations. These include the younger segment below age 35 so that they have easier access to more affordable products and services in the future.

Promoting financial literacy

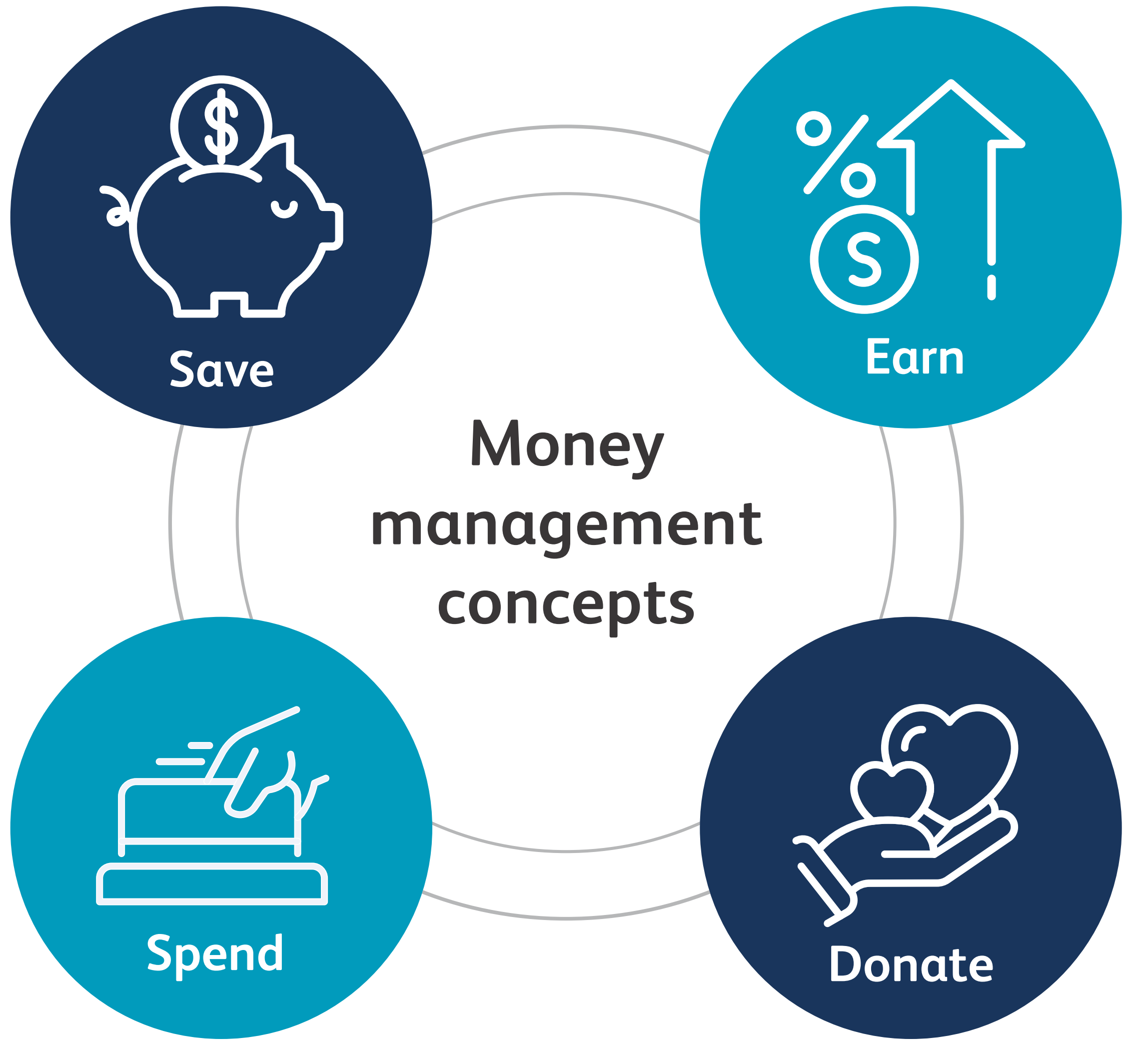
A 2022 survey commissioned by the MoneySense Council and conducted by the National University of Singapore revealed that while more Singaporeans were budgeting and keeping track of their spending, a number still did not understand financial concepts such as simple and compound interest[6].

Financial literacy is a vital life skill that guides people in making informed financial decisions. With a strong foundational understanding of basic financial concepts, people are better equipped to handle personal financial management and planning.

Promoting financial literacy can bring positive impact to financial wellness. Building financial literacy skills like personal budgeting and retirement planning leads to greater peace of mind. With rising interest rates and increasing cost of living in Singapore, safeguarding everyone's financial wellbeing is important to ensure we can overcome any unforeseen circumstances. Other areas where financial literacy brings benefit are the economy and society. By making financial knowledge more accessible, people will be able to better manage their finances to strengthen their financial safety net.

Based on a survey by the Organisation for Economic Co-operation and Development and International Network on Financial Education (OECD/INFE)[7], young people appear to score consistently and significantly lower on financial literacy than the rest of the sample. As a life insurance company that focuses on making financial security accessible, we recognise that financial literacy should be instilled at a young age, which is why we have Cha-Ching, a money management programme developed by Prudence Foundation, Prudential's community investment arm, together with global non-profit Junior Achievement (JA). Cha-Ching is aimed at helping children aged between seven and 12 build responsible financial habits from young. The programme is part of our broader Community Investment strategy around education. For more information, please read our *Community engagement and investment* section.

The Cha-Ching programme is a globally recognised and highly rated animation and music-based financial literacy programme. It strives to impart financial knowledge on money management concepts of earn, save, spend and donate. Our volunteers are trained by JA to deliver the curriculum.



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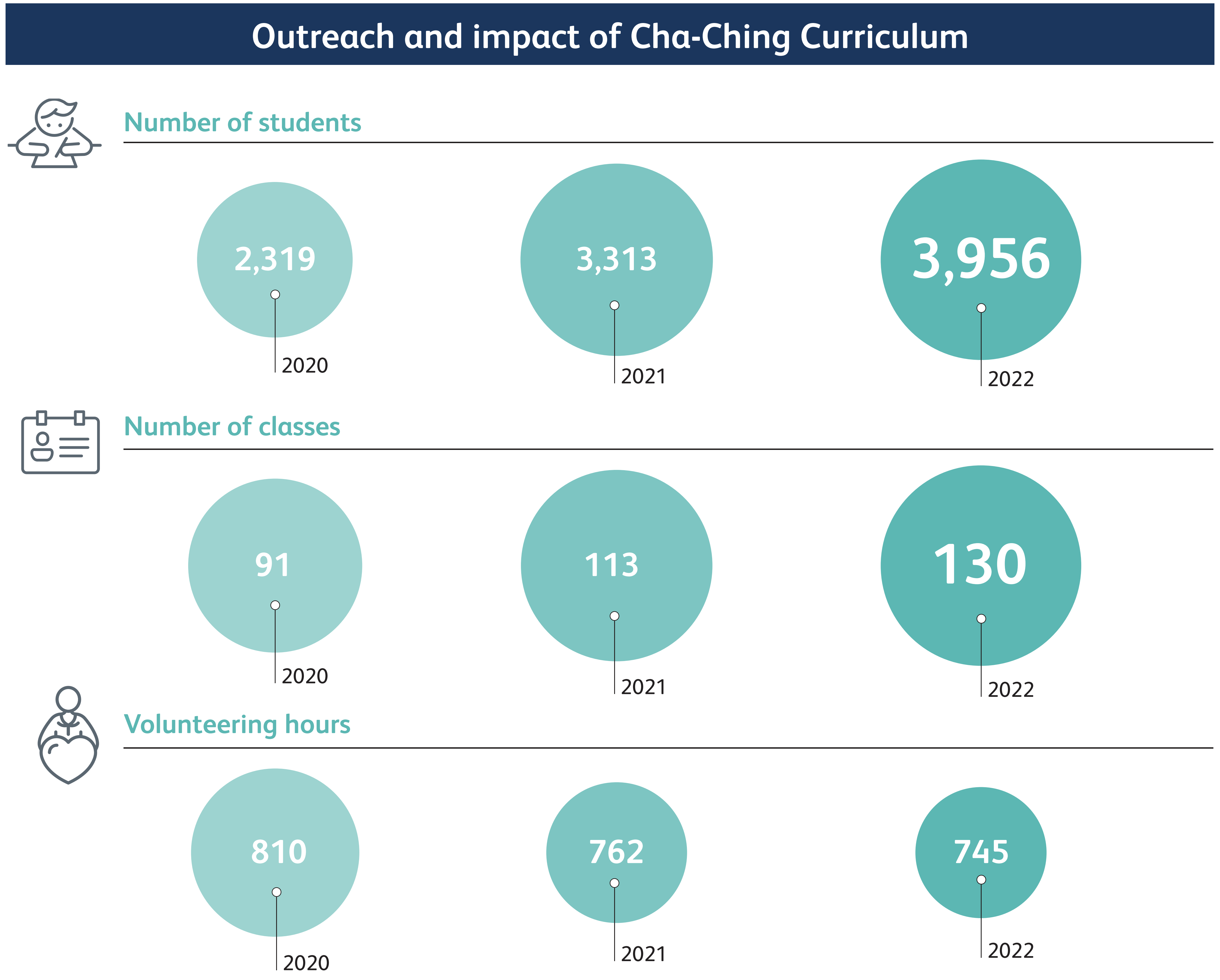


6 New islandwide campaign to boost financial literacy among Singaporeans
7 OECD/INFE 2020 International Survey of Adult Financial Literacy

To track the effectiveness of the programme, participants are required to complete a pre-questionnaire at the start of the programme and a post-questionnaire upon completion of the programme. Our impact was determined by assessing the children's awareness and retention of money management concepts. Results of the questionnaires are shown as follows:

Out of the total students reached in 2022,

84%

have reported that the Cha-Ching curriculum taught them how to manage their money. **This is an increase from 82% last year.**

9%

increase in scores from pre- to post- questionnaire for students. **This is an increase from 8% last year.**

Through our engagement and feedback gathered, we realised that while the children benefited from our Cha-Ching programme, we could go further in re-engaging them to continuously advance their financial planning journey. In addition to delivering the Cha-Ching curriculum to children across Singapore, we implemented two formats of financial literacy education with an emphasis on applied learning, with the children who had previously attended the Cha-Ching curriculum:

- Cha-Ching Earn and Save activity; and
- Cha-Ching x Design Thinking activity.

The Earn and Save activity was piloted in 2021. In this activity, children are tasked with completing a crafts-based activity by applying the theoretical concepts learnt from the Cha-Ching curriculum. In 2022, we reached out to almost 300 children.

Following the positive response to the Cha-Ching Earn and Save activity, we were keen to pilot similar forms of applied learning. We identified Design Thinking to help children approach money management from a creative and critical thinking standpoint. In this activity, children are introduced to basic design thinking concepts and tasked to produce solutions for a money management-specific challenge. We successfully conducted this activity with 50 children in 2022 and are looking to expand our reach next year.

Moving forward, we aim to have 20,000 students engaged in the Cha-Ching curriculum by 2024. Additionally, out of the total number of students reached each year, we set a target of at least 85% reporting that the programme has taught them how to manage their money.

Strategic Pillar: Stewarding the human impacts of climate change

> "Environmental risk affects all of us in the long run, and I feel a higher purpose as we manoeuvre ourselves towards that common goal of environmental resiliency."
>
> **Lee Cheng Wei**
> Head of Operational Risk Management and Quality Assurance

Climate change is a complex global issue that is experienced locally and has consequences which cut across different aspects of the environment, economy and society. We are cognisant of the risks that climate change has on health and society, but also the opportunities it offers. As an asset owner and asset manager, we are aware of our own contributions to climate change through the investments we make. Our business operations also have direct impact on the environment which is why we are taking actions to reduce our carbon footprint.

Some of the impacts of climate change are already visible on people's health. In Singapore, rising temperatures due to climate change will see an increase in the incidence of infectious diseases such as the record number of dengue cases in recent years, and heat-related health conditions[8]. All these events place greater pressure on our healthcare system and will have an impact on our business.

The effects of climate change are also likely to impact vulnerable groups in society. In Singapore, these groups include outdoor workers, the elderly and young children[9]. As temperatures rise, they will require more targeted guidelines and measures to protect them from environmental stress that will impact their day-to-day living and working conditions.

To address climate change, Singapore aims to achieve net zero emissions by 2050 where all actors will have key roles to play in transforming the way we live, work and play in a low-carbon future[10].

To address climate change, Singapore aims to achieve net zero emissions by 2050 where all actors will have key roles to play in transforming the way we live, work and play in a low-carbon future[10]. We fully support this goal and are taking active steps to contribute where we can. As a Group, we have set a net zero target by 2050, in line with the pathways of the Intergovernmental Panel on Climate Change (IPCC) to keep the temperature increase well below 2°C as set out in the Paris Agreement. As part of our Group's membership in the Net-Zero Asset Owner Alliance (NZAOA), we also contribute to ensuring our carbon reduction policy is aligned with their protocol on asset classes, carbon metrics, and base year among others. Our NZAOA membership has helped us to set clear commitments and targets for our transition to net zero by 2050.

Our risk management framework has been updated to include climate-related risks to ensure our business remains resilient, and this is detailed in the *TCFD* section of this report.

Decarbonising our investment portfolio

At Prudential, we are committed to taking climate action by decarbonising our investment portfolio and minimising the environmental impact of our operations. These are key to our collective action towards mitigating and adapting to climate change. Our decarbonisation strategy is aligned with our Group goals, and we continue to make significant progress in 2022 against these goals.

We work closely with Eastspring Investments (Eastspring), our asset management arm, to tilt our investment portfolio with a best-in-class approach through active, passive and quant strategies that involve a mix of setting a carbon budget, defining companies that are too carbon intensive and implementing a low carbon benchmark.

We continue to contribute to our Group's target of a 25% reduction in WACI in our investment portfolio by 2025 and are pleased to report that we have contributed to Group's 43% reduction in 2022. We have also met Group's exclusionary target after completing divestment from fixed income assets with a 30% coal revenue threshold in 2022. In 2021, we fully divested from equities, which we continue to monitor so as to maintain this divestment position. More details about our climate change targets can be found under our *TCFD* section while the Group ESG Report provides further detail on progress across the Group on coal exclusions.

Supporting a just and inclusive transition

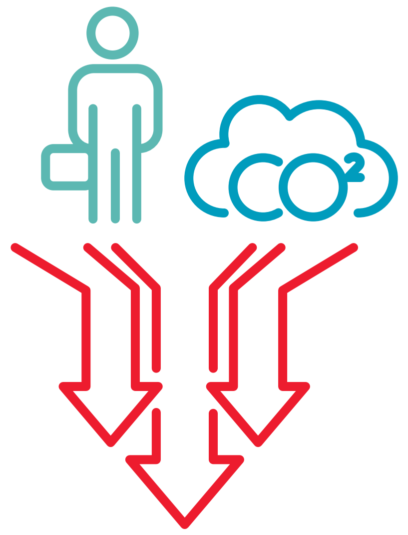
We recognise that greening the economy and financing the net zero transition across Asia and Africa is vital to global net zero targets. While the debate in Europe may have moved on to address the next steps in renewable energy provision, this is not the reality for the emerging markets in which Prudential Group operates in. These markets in Asia and Africa require a considered and dynamic approach to the low-carbon transition, with greater balance and representation of our challenges.

8 Rising temperatures could increase risk of new infectious diseases in Singapore: Experts
9 As temperatures rise, outdoor workers, elderly and children are most at risk: Experts
10 Singapore Commits to Achieve Net Zero Emissions by 2050 and to a Revised 2030 Nationally Determined Contribution

We have achieved a reduction of over

50%

in our operational emissions per full time employee (FTE) from a 2016 baseline



The climate-related risks and opportunities present in highly developed markets vary greatly to those in emerging markets that are more dependent on primary and energy-intensive industries. Critically, these emerging markets have a greater reliance on fossil fuels in their energy generation mix than developed economies and have other pressing social and development needs to meet at the same time. This is evidenced in the large divergence between countries and regions in their efforts and ability to act on climate change, and ultimately in reducing their carbon footprint.

In 2022, our Group published a white paper titled *Supporting a just and inclusive transition*, to outline the case for a just and inclusive transition and its place in meeting the Paris Agreement. The paper highlights the importance that Prudential places on ensuring the transition to a low-carbon economy is a just and inclusive one and explores case studies and further actions required, both from Prudential and the wider market.

The paper also details how the Group contributes to a just and inclusive transition in emerging markets through its influence as an insurance company and asset owner operating in emerging markets. As an insurance company and a long-term investor in local markets, Prudential is interested in their sustainable long-term development. **Our approach to the just and inclusive transition focuses on making sure emerging markets are not left behind in the global energy transition.**

As a Group, we do this by:

- Raising awareness on the challenges for emerging markets in the energy transition and seeking to contribute towards solutions;
- Actively considering the impact on emerging markets in all activities on climate change that we undertake, most importantly on responsible investment; and
- Taking a holistic approach to the challenges of emerging markets.

Prudential Singapore continues to work with our Group to ensure support through our responsible investment activities.

Responsible environmental practices

Every action that goes into the day-to-day activities of our business emits carbon through electricity consumption or waste production. We seek to actively reduce our direct impact on the environment as part of our aim to build a greener future. Responsible environmental practices can result in significant positive outcomes for the environment as it reduces carbon emissions and preserves our natural resources and the environment that we operate in. It also reduces the risk of being affected by spikes in energy prices and volatile global energy markets and in the long run, lowers operating costs.

In our 2022 Group ESG Survey with employees, responsible environmental practices emerged as the top ESG concern across our markets including Singapore. Locally, we started implementing responsible environmental practices as early as 2017, starting with waste reduction initiatives. These practices have been enhanced over the years and we continue to take inspiration from our employees on further improving our performance.

We have a Group Environmental Policy that helps us manage our impacts and promote sustainable practices as well as incorporate environmental considerations into our decision-making. The policy covers our commitment to complying with local environmental regulations, becoming more efficient in our energy consumption and waste management, improving our environmental supply chain management and raising our employees' awareness of environmentally responsible behaviour.

Our Group's goal is to become carbon neutral across our Scope 1 and 2 emissions by the end of 2030. This refers to the emissions directly produced in our daily operations and by the electricity we use. Managing our direct operational impact on the environment forms part of our strategy to decarbonise and supports our net zero target. **We have achieved a reduction of over 50% in our operational emissions per full time employee (FTE) from a 2016 baseline, and are currently ahead of the emissions reduction trajectory required to meet our 2030 target.**

In 2022, Singapore relaxed its Covid-19 Safe Management Measures and a weekly average of approximately 1,000 employees returned to the office as part of our hybrid work arrangement. This was over 70% more than the weekly average in 2021 during the height of the pandemic. As such, we have seen a partial rebound in our energy consumption and waste generated and this has impacted the way we approach our energy and waste management.

During 2022, we adjusted our reporting period for energy consumption and waste generated to reflect the 12 months covering October 2021 to September 2022. This is because the final quarter billing would only be sent to us in the first quarter of the year, resulting in us not being able to accurately report the data but rely on accruals. With this change in the reporting period, we will also have closer alignment with Group's reporting period for energy consumption.

Our energy consumption

Energy consumption

	2020*	2021*	2022
Fuel[†] (GJ)	204	249	**297**
Electricity (GJ)	6,446	5,976	**5,939**
Electricity (kwh)	1,790,433	1,659,946	**1,649,586**
Total Energy Consumption (GJ)	6,650	6,225	**6,235**

* Data follows the original Jan-Dec reporting timeframe for consistency with our prior reports.

† Petrol used for company vehicles. No other types of fuel are consumed at our office sites or in support of our daily operations.

In 2021, we set a target to achieve 5% savings in our electricity use year-on-year from 2020 until 2023. In 2022, our energy consumption rate remained flat although we saw a greater number of employees returning to the office and an increase in office events and activities. On average, over 1,000 employees returned to our corporate office locations in Marina One, Prudential@Scotts, and UE BizHub in 2022, compared to only 600 in 2021. **Despite the greater number of people, our environmental performance remained comparable to 2021 due to the active resource management of our workplace services team.** This included a review of air conditioning use in our offices, where we monitored the range of temperatures in our corporate offices against the number of employees who had returned to work there. We then coordinated with the respective landlords to adjust the central air conditioning temperature to an appropriate level of 24°C for both Prudential Tower and UE Bizhub offices.

In terms of office space, we reduced our footprint in 2022 by 2,279m^2 with the transfer of ownership for our SBF and Parkview Square offices, the closing of one of our Goldbell Tower office's units and the repurposing of 1,447m^2 of our space for Prudential Services Singapore, one of our regional businesses. This followed a review we conducted in 2021 that showed our return to office numbers had decreased overall as part of our flexible work arrangement. **In 2022, we introduced PRUAnywhere, an initiative where our employees can work in co-working spaces across Singapore, giving them the choice to work at their preferred locations and schedules.** Read more about this in the *Building social capital* section.

Our waste management

Waste generated

	2020	2021	2022
Total waste generated* (kg)	55,971	38,293	34,851
Non-recyclable waste			
General waste[†] (kg)	49,773	31,944	32,598
Food waste[‡] (kg)	-	282	236
Recyclable waste			
Total waste recycled (kg)	5,944	6,215	2,253
Paper waste[§] (kg)	5,671	5,743	1,843
Plastic waste (kg)	255	176	105
E-waste[¶] (kg)	254	134	293
Toner cartridges[^] (kg)	18	14	12

Note: Data from 2020 and 2021 use the Jan-Dec reporting cycle to allow for comparison with our past reports.

* Includes general waste, e-waste, and all recycled waste; no hazardous waste was produced.

† Includes all waste that is sent to incineration and landfill.

‡ Food waste does not include coffee grounds as they are repurposed and not disposed of.

§ This figure does not include secure shredded paper, which is collected whole from secure disposal containers at our corporate offices, shredded off-site by our contractor, and recycled. The total weight of this paper was 71,230 kg.

¶ E-waste is collected at Marina One and Prudential@Scotts offices only and sent for recycling at a certified facility. Does not include toner cartridges.

^ We support the Canon Take Back programme and recycle all our ink and toner cartridges.

We continuously strive to find ways to reduce unnecessary consumption, repurpose equipment and promote recycling of paper, plastics and e-waste to scale back the amount of unrecoverable waste produced in our offices.

During 2022, we continued giving away used coffee grounds from our Marina One PRUBistro to our employees and shared tips on how to use them for gardening and cleaning. As part of our annual storeroom clean-up, we recycled paper-related materials and e-waste that were found. For items that could not be separated for recycling such as stationary, files and dated gifts, we offered them to our employees before considering disposal.

In 2021, we set a recycling target of collecting 15 kg of plastic per month for 2022 from our Marina One, Prudential@Scotts and Prudential Tower offices. We did not hit this target because we eliminated a significant amount of plastic waste from our offices due to more employees eating out and bringing fewer food containers to work. We recognised that more can be done to raise awareness on proper recycling and plan to increase the frequency of our communications and engagements on responsible environmental practices in 2023.

Greening our offices

We are committed to achieving the Building and Construction Authority (BCA) Green Mark Certification for our buildings and support the Singapore Green Plan 2030's ambition on green infrastructure and buildings. This certification is awarded to companies that meet standards such as climatic responsive design, building energy performance and resource stewardship. **We have been awarded the Green Mark Platinum Award for the Marina One office until March 2024 and attained the Green Mark Goldplus Award for Prudential Tower. We have also submitted our application for Green Mark certification for the UE BizHub office, of which the outcome will be known in 2023.**

In 2022, we partnered with Grobrix to install our first modular edible hydroponics green wall in support of urban farming. We had our first batch of harvest which was served as a salad at our PRUBistro cafe. This space also provided us with the opportunity to engage our employees on topics such as food security, sustainability and basic farming techniques.

Our Workplace Services team monitors data on our energy and water consumption and waste collection from all our offices monthly. The data is assessed during monthly business reviews with appointed facilities management service providers and any unanticipated trends are discussed. We consider our third-party waste disposal partners' responsible environmental practices and are pleased to work with Shred-it and KGS to recycle our confidential documents and e-waste respectively.

With these internal assessments, we have undertaken measures such as reviewing the operating schedules of our equipment to reduce energy consumption.

However, we acknowledge that due to the nature of our rental of office spaces, we have limited control. **Thus, we believe that we must work together with our employees and empower them to make a positive contribution towards our collective climate action.**

We continue to develop ambitious targets and put in place programmes based on best environmental practices as well as what our employees are concerned about. These actions are regularly communicated to our stakeholders including employees through awareness and educational campaigns which we will carry on in 2023.

We believe that we must work together with our employees and empower them to make a positive contribution towards our collective climate action.

Task Force on Climate-related Financial Disclosures

In 2022, we took definitive steps to improve the effectiveness of our climate governance through policy implementation, identification of roles and capacity building.

Our Group has been a signatory to the Task Force on Climate-related Financial Disclosures (TCFD) since 2019 and has been publishing climate disclosures based on the TCFD recommendations since then. Prudential Singapore first published our TCFD report in 2021 as part of our initial preparations to meet the MAS Environmental Risk Management Guidelines that took effect in June 2022. After the first disclosure, we carried out a thorough gap analysis to review our information against the enhanced 2021 TCFD guidance. As an outcome, we set about improving our processes and internal structures, working closely with key internal stakeholders who contribute directly to managing climate risks including Strategy, Investment, Risk and Compliance, and Corporate Services.

We continue to align with Group as part of our TCFD reporting by ensuring consistency in data and approach. As we continue to progress over the coming years, we will strive to provide more local context and disclosures where appropriate.

Governance

In 2022, we took definitive steps to improve the effectiveness of our climate governance through policy implementation, identification of roles and capacity building. The Prudential Singapore Environmental Risk Management (EnRM) Policy was developed by the Enterprise Risk Management (ERM) team in collaboration with key departments including the Investment and ESG teams to identify possible areas of vulnerability to climate risk and the mitigating actions to be taken. The policy was reviewed and approved in April 2022 by the Risk Committee (RC) and the Board Risk Committee (BRC). It was also shared with the Ethics Committee for noting.

Board's oversight of climate-related risks and opportunities

The BRC is responsible for oversight of the company's EnRM including ensuring environmental risk is addressed in the risk management framework. The RC reports to the BRC while the Ethics Committee reports to the Board of Directors. They work together with both the ERM and ESG teams to ensure appropriate governance is implemented. The EnRM Policy is owned by Prudential Singapore's Chief Risk Officer, who is the designated senior management member overseeing environmental risk. For more information, please refer to our overall *ESG governance* section.

Since 2021, we have improved the flow of information between the Board, senior management, and key functions involved in EnRM, giving relevant parties access to updated information on our progress against our short, medium, and long-term targets. In early 2022, we formalised our EnRM information dashboard which summarises the status of all climate-related initiatives and provides centralised awareness of all factors pertaining to these risks. This dashboard tracks our progress quarterly with clear accountabilities tied to the different departments.

Information included in the dashboard covers:

- Changes to climate strategy and governance, if any;
- Investment information including portfolio WACI;
- Supply chain considerations;
- Operational Scope 1 and 2 emissions;
- Results from our scenario and risk analysis exercises; and
- Environmental risk-related capacity building.

Management's role in assessing and managing climate-related risks and opportunities

EnRM information is further communicated to the ESG Committee, which is tasked with providing oversight on the governance and disclosure aspects of the MAS EnRM Guidelines, including our TCFD reporting. These meetings are utilised to provide updates regarding developments on climate risk and to seek input from internal stakeholders. The following departments have been identified as having direct input, control, and responsibility for areas pertaining to EnRM:

Department	EnRM responsibilities
Risk and Compliance	• Monitors environmental risk exposures across the organisation • Conducts scenario analysis exercises in relation to physical climate risk • Formulates environmental risk stress testing scenarios and reviews the corresponding results with the Actuarial team • Reports current environmental risk exposures against appetite to the RC and BRC • Works with Group Risk to ensure compliance with Group Risk Management Framework and other relevant policies
ESG	• Monitors environmental risk exposures quarterly and reports to the Ethics Committee • Oversees overall implementation of the ESG strategy and disclosures, including climate-related disclosures • Oversees capacity building on ESG and EnRM for the Board, employees and distributors
Actuarial	• Conducts stress testing on climate change scenarios to assess potential impact on portfolios and solvency positions
Business Continuity Management	• Ensures that business continuity is not compromised in the event where physical risks are realised
Corporate Services	• Ensures compliance to the Group Third Party Supply and Outsourcing Policy, PACS Supplier Sustainability Guidelines, and PACS Sustainable Procurement Policy
Enterprise Business	• Assesses the environmental risk of corporate prospects and customers as part of our due diligence • Manages the risk from corporate customers as required
Human Resources	• Supports training needs on environmental risk for employees

As part of our capacity building efforts, we identify and recommend suitable courses on a regular basis for specific employees within these functions who are key to managing environmental risk. As climate risk is an emerging risk, our priority was to create a foundational knowledge of core concepts and understanding of business impact, risks and opportunities. A total of eight key employees completed a course titled 'Climate Change: Financial Risks and Opportunities' by edX/Imperial College of London. Subsequently, role-specific training was sourced for each function with the goal of providing insights into how climate risks will affect their areas of work. Our Investment team completed 'Sustainable Investing and MAS Guidelines on Environmental Risk Management' by the Investment Management Association of Singapore (IMAS), while our Risk team attended the 'MAS Environmental (Climate) Risk Management Primer' by the Singapore Exchange (SGX), as well as a seminar by the Institute of Internal Auditors (IIA) titled 'Sustainable Finance and MAS Environmental Risk Management: Developments in Singapore's Financial Services Sector'.

At the Board level, we have been conducting training on environmental risk management since 2021. In 2022, we held two more bespoke sessions, which provided them with information on climate governance with guidance from the World Economic Forum, potential impacts to business, regulatory updates, and climate-related metrics and targets. **In April 2022, all our Non-executive Directors (NEDs) became members of Chapter Zero, a directors' global forum for climate governance. In October 2022, two of our NEDs also attended a two-day, in-person 'Sustainability Education Programme for Directors' in Singapore offered by the Cambridge Institute for Sustainability Leadership and Earth on Board.** These sessions provided guidance and insights into industry trends and the growing importance of director engagement regarding climate risks and opportunities.

In 2022, the Board received updates through the EnRM dashboard and periodic briefings from the ESG team. Starting in 2023, our Board will receive additional quarterly updates on EnRM developments through the Board Risk Committee. These updates will include progress on climate-related targets such as WACI and Scope emissions and information related to emerging regulatory expectations and industry developments to ensure that our Board is consistently aware of the shifting climate risk landscape.

EnRM information is further communicated to the ESG Committee, which is tasked with providing oversight on the governance and disclosure aspects of the MAS EnRM Guidelines, including our TCFD reporting.

Strategy

Climate change brings high risks for companies like ours, but we are also aware that we can position ourselves strategically by taking a long-term view on opportunities. **Our ESG strategy continues to steer our management of environmental impacts, including climate change, which remains a material topic for us.**

Climate-related risks and opportunities: Identifying climate-related risks

Our identification of climate-related risks is aligned with Group, and in 2022, we continued to enhance our understanding of key risks in Singapore over the short, medium and long-term and how we might address them. The Group Risk Framework has been updated to include the time horizons over which the benefits and/or paybacks of risk-based decisions are expected to be achieved within core strategic processes. Time horizons relating to climate are defined as: short-term (0 to 3 years), medium-term (3 to 5 years) and long-term (5 to 30 years).

We consider climate risk to be a cross-cutting risk for our business, one in which our approach must be nimble given its evolving nature. The table to the right provides an overview of the risks we have identified, what they mean to us and how we can or will be addressing them.

Risks identified	Why this is important	What we are doing about it	Main affected time horizon
Operational resilience	There is a need for operational resilience in anticipation of the potential manifestation of physical risks, which are physical impacts of weather events and long-term or widespread environmental changes. The third-party relationships that we have outside of Singapore may also widen geographical exposure to weather events. We need to prepare for any unexpected events by ensuring employees can work remotely, and that we continue to deliver services to customers.	We have a robust Business Continuity Plan in place to manage such situations and this is reviewed on an annual basis. In 2022, we conducted scenario analysis exercises at the Group and local levels to understand the potential costs of manifested physical risks.	Long term
Financial resilience	As an asset owner, the impact on the asset values may arise from both physical and transition risks. Such financial risks include market risk where there are declines in valuation and rises in volatility; and liquidity risk where there may be surges in need for funds. As a significant asset owner and asset manager, we have a duty to ensure that our investment portfolio has minimum exposure to high emission, carbon intensive and carbon-reliant sectors to avoid the impacts of transition risks.	We have a comprehensive Responsible Investment Policy that clearly sets out six implementation strategies including ESG integration, active ownership and exclusion, among others. Our stress testing exercises explore the impacts to the financial resiliency of our organisation under different climatic and economic conditions.	Short, medium and long term
Insurance and product risks	As a life insurer, we are not exposed to losses that impact assets covered under general insurance, particularly relating to those arising from climate change. However, climate change may impact insurance risk where changes in mortality and morbidity may materialise. For example, with increasing heatwaves, individuals may experience increased risks from heat-related illnesses.	To address potential insurance liabilities, our Actuarial team conducts ongoing monitoring to ensure that any shifts in mortality or morbidity are considered in valuation and pricing.	Long term
Regulatory/ disclosure expectations	The pace and volume of new climate-related regulation continue to be relentless and there is a keen desire to be at the forefront of this progress. There is continual monitoring and engagement on regulatory and industry developments. Gaps in disclosures and reporting are being constantly identified and actively rectified to ensure a better representation to all stakeholders.	We monitor reporting frameworks and standards closely to ensure our disclosure is in accordance with the latest internationally recognised standard. Environmental risk disclosure was enhanced in 2022 alongside our Group enhancements.	Short and medium term

Climate-related risks and opportunities: Identifying climate-related opportunities

Climate change is likely to drive demand for new health, insurance and savings products and we recognise there are opportunities for us to invest in, develop or redesign our products and services to support climate action. Furthermore, there are changes we can make to our operational policies that could also reduce our overall emissions profile. The table to the right provides examples of climate-related opportunities, where they lie in terms of the time horizon and the significance of their impacts.

In 2022, we embarked on a two-year research partnership with the Earth Observatory of Singapore (EOS) at Nanyang Technological University (NTU) in Singapore to examine the intersection of climate change and health. The Prudential EOS Climate Impacts Initiative will focus on 10 key markets across Asia and Africa including Singapore, Hong Kong, Cote d'Ivoire, Nigeria, Kenya, Indonesia, Malaysia, the Philippines, Thailand and Vietnam. It will be carried out over two phases from 2022 to 2023. The first phase of the research involves reviewing historical records of air quality and health impacts in the countries/cities in the recent two decades. The second phase will entail projecting future air quality and its health impact on individuals that consider several emission scenarios including SSP370 and SSP585. We are hopeful that the outcome and findings of the research will help us generate ideas and evaluate market opportunities in terms of investments and products linked to climate resilience.

Type	Climate-related opportunities	Time horizon	Impact
Investment	Investments in green bonds, transition financing, adaptation financing and climate solutions.	ST-LT	H
Products and services	Develop new health, insurance and savings products that reflect the impact of climate change on human health.	ST-LT	H
Products and services	Provide financial advice that enables existing and prospective customers to better understand and manage exposure to climate risks and enhance their resilience.	ST-LT	L
Products and services	Capture customers' ESG interests and preferences in an ESG profile as basis of our integrated advisory process.	ST-LT	L
Resource efficiency	Improve energy efficiency of current office space and capture cost-savings from optimisation programmes such as energy efficient technologies.	ST-LT	L
Resource efficiency	Optimise office occupancy rate by re-evaluating and minimising office space in a hybrid working model that provides flexibility.	ST-LT	L
Resource efficiency	Source third-party suppliers with improved environmental performance aligned with industry best practice.	ST-LT	M
Energy source	Source electricity from renewable sources for all office space and data centres.	MT	L
Resilience	Engage suppliers across our supply chain to improve on environmental performance and introduce low carbon policies.	ST-LT	M
Resilience	Encourage employees to take climate action, expand employee training and benefit programmes that enable them to calculate their own carbon footprint and reduce emissions through a range of actions that include renewable energy and more efficient modes of travel.	MT-LT	L
Resilience	Improve awareness and capacities related to climate risk through education and resources such as management information dashboards to enable decision-making processes, reduce potential impacts and augment early warning capabilities.	ST-LT	M
Resilience	Utilise our Pulse app to support resilience, sustainability and climate education.	MT	M

Time horizon ST: Short-term (0 to 3 years) MT: Medium-term (3 to 5 years) LT: Long-term (5 to 30 years)
Impact H: High M: Medium L: Low

Stress testing is a key tool to improve understanding of climate risk and support decision-making.

Impact of climate-related risks and opportunities

Stress testing is a key tool to improve understanding of climate risk and support decision-making. It is especially useful for raising awareness of climate change risks due to the wide scope and unknown timing of potential mitigation and adaptation actions. At a Group level, we monitor and evaluate developments in climate stress testing, including publications by regulators and global bodies such as the International Association of Insurance Supervisors (IAIS) and the Network for Greening the Financial System (NGFS), as well as publications by the Principles for Responsible Investment (PRI), the Transition Pathway Initiative, United Nations Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA).

We apply three scenarios to our testing ie orderly, disorderly and hot house world scenarios which are provided by the NGFS and present plausible paths that can be used for testing the continued robustness of strategy, finances and operations, and the feasibility of achieving the Paris goals.

The climate scenario in the Own Risk and Solvency Assessment (ORSA) 2022 covers the three scenarios mentioned to the right. The exercise assesses the extent to which Prudential Singapore's solvency is affected by the different macroeconomic shocks, and whether we have sufficient management actions to recover under such scenarios. The time horizon spans until 2050. Our overall results in 2022 indicate that Prudential Singapore is more affected by the macroeconomic volatility brought about by failure to transition into a reduced carbon emission future. In that scenario, the solvency levels drop below the desired levels in the long term (>30 years), but management actions can return them to the minimum required.

Risk management practices in support of the business have also been enhanced, particularly in the aspects of stress testing and scenario analysis. In 2022, both the ORSA and annual scenario analysis exercise have incorporated a new climate scenario covering transitional and physical risks respectively.

Summary of the scenarios used for stress testing

Orderly transition scenario

This below 2°C scenario includes transition impacts as well as physical impacts in line with a 1.6°C increase in temperature by 2100 compared to the average temperature between 1850 and 1900, in line with the IPCC Representative Concentration Pathway (RCP) 2.6[11], through the orderly introduction of climate policies. Ambitious climate policies are introduced immediately. However, even as emissions are lowered, acute and chronic extreme weather continues to increase compared to today, resulting in increased physical loss and damages. There is a marked reduction in fossil fuel demand, higher carbon taxes and investments in low carbon electricity generation and manufacturing.

Disorderly transition scenario

This below 2°C scenario includes similar levels of transition policy assumptions and physical impacts to the orderly transition scenario, but the policies are introduced in a delayed and disorderly manner resulting in increased market volatility in the medium term. There is particularly increased volatility in the fossil-intensive sectors and regions, but due to the disorderly nature of implementing climate policies, there is also increased volatility in all sectors.

Hot house world scenario

This scenario includes physical impacts in line with a greater than 4°C in 2100. The physical impacts include irreversible damages to the climate, resulting in extreme increases in acute and chronic extreme weather in line with RCP 8.5. For example, many countries suffer extreme droughts and water shortages. Some regions will experience greater levels of warming of up to 5.6°C, resulting in certain parts of the world becoming unfit for agricultural production and human habitation. No further climate policies are introduced in this scenario beyond those already announced with little transition impacts assessed.

11 UN IPCC reports

Impact on assets and insurance liabilities

As a major asset owner, we rely on investment returns to meet the longer-term obligations of our liabilities and remain exposed to risks that could interrupt or impair those returns, which is what we explore through the climate scenarios. The scenario with the largest overall impact for us remains the hot house world scenario where physical risks leading to widespread macroeconomic effects are elevated in the long-term, stemming from increased natural disasters and other climate-related developments. The disorderly transition scenario shows volatility across the short- to medium-term horizons resulting from credit spread widening macroeconomic shocks but is expected to subsequently recover in the late medium- and long-term as regulatory policy changes are eventually implemented. The orderly transition scenario is projected to have the lowest overall impact, as macroeconomic shocks are expected to be relatively mild due to a progressive and successful implementation of regulations in support of a low carbon future, allowing for gradual market adaptations and a reduced effect on the balance sheet.

Impact on financial planning and strategy

As part of our Group annual strategy and financial planning exercise, we apply internally developed stresses to the projected results. The level of these stresses is more stringent than the impact from the climate scenarios, described on the previous page, over the same period. This gives confidence that the strategy and financial plan remain viable over the period under assessment.

Impact on our operations

Extreme weather events may have an impact on our operations and expose us to climate-related physical risk, which will affect our corporate facilities and infrastructure. In Singapore, we are guided by our Recovery Plan and Business Continuity Plan so that any disruptions to our operations, customers and third-party supply chain are kept to a minimum.

Resilience of the organisation's strategy

In Singapore, we conduct stress testing and scenario analysis at least annually to understand our local risk profile and the impacts of climate change on our portfolios and insurance liabilities. The parameters and scenarios are reviewed annually for relevance. **The stress testing scenarios and results are reviewed by our Asset-liability Management Committee, Risk Committee, Board Risk Committee and the Board.**

For the scenario analysis exercise described above, the manifestation of physical risk causes damage to property and facilities. This impacts operations, customers, employees, distribution channels and key third-party suppliers. This is based on a 1-in-200 year extreme event scenario. The required operational risk capital as a result is a small part of the overall requirement at about 1%.

Risk management

Identifying and assessing climate-related risks

Prudential Singapore's Environmental Risk Management Policy clearly spells out the processes and methods used in each facet of the climate risk management cycle, from risk identification and assessment to mitigation and monitoring. Each part of the cycle is further segregated by business function including strategy, risk management, business continuity and investment. This provides a comprehensive framework for the overall management of climate risks. The framework is also aligned with the MAS regulatory guidelines around environmental risk management. Various metrics are used across the climate risk management cycle; these can be found in the *Metrics and targets* section.

As a life insurer, the main long-term risk to us in relation to insurance liabilities is the uncertainty of changes to mortality and morbidity rates, which may affect claims and payouts.

As part of the Actuarial control cycle, the Actuarial team conducts annual experience studies to analyse and understand the experience of the products. This is an integral part of the assumption setting process for pricing and valuation purposes. If adverse experience is shown for specific products, further investigation will be conducted by the Actuarial team to identify possible reasons. The impact of environmental implications, if observed, will be analysed and considered for incorporation into pricing and valuation, where appropriate.

Physical risks are being measured through scenario analysis and will be managed in accordance with the Business Continuity Plan. Transitional risks are measured through stress testing and are managed through mechanisms specific to the functional area. For instance, divestment from companies with a significant amount of revenue derived from coal-related activities would reduce transition risk on the investment front. As another example, gathering information from third-party service providers on their environmental risk management procedures as part of the due diligence process is also a method of assessing climate risk which could arise from the supply chain.

When it comes to financial resilience, we work with our Asian asset management arm Eastspring Investments (Eastspring) to identify and assess climate-related risks to our investment portfolio. One of Eastspring's central engagement themes is on climate change and decarbonisation, where we engage with the companies who are responsible for 65% of the absolute carbon emissions in our non-Investment-Linked Policy (ILP) asset book. These companies will be assessed on three tenets – disclosures, targets and strategy – before we apply a quality check on them. The findings of this assessment will inform the content of the letters we send to each company to encourage them to develop, implement and disclose a credible strategy for transitioning to a low-carbon future. We tailor the content of the letter to each company to ensure that our engagement carefully considers the investee company's current climate action maturity. For more information on these engagement activities, please refer to our *Responsible investment* section.

Managing climate-related risks

We are guided by our EnRM framework on actions taken to mitigate, transfer, accept, or control climate-related risks. The overall management and control of climate-related risk is the responsibility of the Board Risk Committee. It determines and approves the environmental risk measures and triggers to ensure that environmental risk exposures are within our risk appetite, and that they meet the local and Group environmental objectives.

Any deviations from the framework will be managed through the appropriate governance processes, which may include management-level deliberation, escalation to the highest governance body, and further actions if necessary. We require any breaches of established environmental risk triggers, along with management actions in response to those breaches and stress testing/scenario analysis, to be documented.

We are aware of the reputational risk that can arise from providing group insurance coverage to corporate customers who operate in high-risk sectors that could have a negative impact on the environment. To align with our approach on responsible investment, our Enterprise Business team applies the same criteria to identify high-risk companies. For example, we look at the percentage of company revenues tied to coal and tobacco and verified involvement in controversial weapons.

Integration of climate-related risks into the organisation's overall risk management

Environmental risk is a cross-cutting risk that affects many functions within the organisation. Prudential Singapore formalised a standalone Environmental Risk Management Policy in 2022 to manage and mitigate climate risk so that our financial and operational resilience remain strong. It is a significant part of our overall risk management framework, and it will continue to take on an increasingly prominent role across all risk management processes alongside our other existing risk policies.

Metrics and targets

Metrics and targets used to assess climate-related risks and opportunities

We work closely with Group to assess climate-related risks and opportunities and use a variety of metrics and targets. These include decarbonisation targets related to our asset book as well as our operations. In Singapore, we have set additional metrics surrounding our enterprise business that are in line with our environmental risk management approach. For a full view of the metrics and targets used, please refer to the tables to the right.

In 2023, Prudential Singapore plans to put in place organisation-wide ESG key performance indicators (KPIs), specifically around decarbonisation, to monitor progress in achieving our strategic objectives. These performance measurement indicators are quantifiable and tracked at the relevant governance committees. **We believe it is important to integrate environmental risk management into incentive structures and link incentives to performance, to promote accountability and drive the desired conduct in achieving target outcomes.**

Scope 1, Scope 2 and Scope 3 GHG emissions, and the related risks

We contribute to our Group's target of achieving carbon neutrality for Scope 1 and 2 emissions by 2030. In 2021, we disclosed that we contribute to this target and that our progress was on track. As part of our disclosure enhancement in 2022, we are publishing our local Scope 1, Scope 2 and selected Scope 3 emissions in this report. In 2022, we reviewed our Scope 3 emissions to identify the areas of our supply chain that contribute most significantly to our overall emissions footprint. We took guidance from Group's 2021 assessment that considered all 15 Scope 3 categories according to both the Greenhouse Gas Protocol and Partnership for Carbon Accounting Financials (PCAF). Nine of the Greenhouse Gas (GHG) Protocol's Scope 3 categories were relevant to Prudential Singapore and given the nature of our business, category 15 is our most material source of GHG emissions. For more information on the related risks, please read our Group ESG Report 2022.

Time horizon	Baseline year	Climate-related metrics category	Metrics	Targets	2022 performance	Main drivers and actions to achieve target
Operations						
Short	2021	Environmental considerations of suppliers	Number of suppliers who do not comply with Supplier Sustainability Guidelines	All active vendors are required to complete our ESG questionnaire	0%	Ensure suppliers incorporate sustainable ESG-related policies and practices
Short, medium and long	2016	Scope 1 emissions*	For our business, direct emissions only include emissions from company-owned vehicles	Carbon neutral by 2030	20 t CO_2e	Adopt responsible environmental practices including increase in efficiency of our energy consumption and minimise waste produced Improve our environmental supply chain management Raise our employees' awareness of environmentally responsible behaviour
	2016	Scope 2 emissions*	Indirect emissions include those arising from our electricity usage for our office spaces		632 t CO_2e	
Short	2016	Scope 3 emissions*	Please refer to the table on the following page for more information	No target set at this point	280 t CO_2e	
Short, medium and long	2016	Energy consumption	Please refer to the *Responsible environmental practices* section for more information	Reductions of resource consumption in our operations	5,939 GJ from electricity 297 GJ from liquid fuels	
		Water consumption			479 m^3 water	
		Waste management			33 tonnes general waste sent to landfill	

* The calculation for each metric is consumption multiplied by emission factor. Locally, emission factors sources are IEA for electricity and DEFRA for the rest. This aligns with the GHG protocol.

We acknowledge that there are data gaps across our Scope 3 categories, and we are continuously exploring best practices as part of our improvement. For example, with Singapore's hybrid working arrangement, we are looking at ways to understand the hidden carbon emissions related to employee commuting, including remote working. In 2022, we conducted a survey with more than 300 employees to understand their energy consumption patterns and trends at home. We intend to conduct this survey regularly as part of our regular review of Scope 3 data.

Category	Relevant	Why category is relevant or not	Disclosed in 2022
1 Purchased goods and services	Yes	There are emissions associated with the products and services we engaged eg IT and professional services.	No
2 Capital goods	Yes	There are embedded emissions with the capital goods we purchase eg IT hardware and office furniture.	No
3 Fuel- and energy- related activities (not included in Scope 1 or Scope 2)	Yes	There are emissions from the extraction, production and distribution of the fuels and electricity that we purchase for our business activities such as business travel.	Yes
4 Upstream transportation and distribution	Yes	We generate emissions from third-party courier and logistics services.	No
5 Waste generated in operations	Yes	We generate emissions through the disposal and treatment of waste generated in our on-site operations.	Yes
6 Business travel	Yes	We generate emissions by travelling for business-related activities, including flights and land transport, booked through our travel partners.	Yes
7 Employee commuting	Yes	We generate emissions through staff commuting and from remote working.	No
8 Upstream leased assets	Yes	We generate emissions from landlord-provided services that are not captured in our Scope 1 and 2 disclosures.	No
9 Downstream transportation and distribution	No	We do not sell products that are transported.	No
10 Processing of sold products	No	We do not process intermediate products.	No
11 Use of sold products	No	We do not sell products that have an associated energy use outside of our operations.	No
12 End-of-life treatment of sold products	No	We do not sell physical products that can be disposed.	No
13 Downstream leased assets	No	We do not lease assets to other entities.	No
14 Franchises	No	We do not operate any franchises.	No
15 Investments	Yes	We hold significant financial investments which generate emissions. Please refer to the section on *Metrics and Targets*.	Yes

Targets used to manage climate-related risks and opportunities and performance against targets

Our Group has set ambitious targets to become a net zero asset owner by 2050 which align with the 1.5-degree Paris Agreement scenario. Our pathway's progress is translated accordingly into various targets that are robustly measured by different climate-related categories and their respective metrics. **We are pleased to report that Prudential Singapore is currently on track with this decarbonisation trajectory and performing well.**

At the same time, we continue to develop more metrics that will help us enhance our management of and reporting on climate-related risks, especially in our responsible investment framework. We have identified forward-looking metrics, such as Climate Value at Risk (C-VAR) and implied temperature risk (ITR) during 2022. Although there are limitations on data availability and the level of assumptions they require, we have found them appropriate for internal use. We will consider disclosing them externally once we overcome these shortcomings and as we develop a deeper internal understanding of these metrics.

> Our Group has set ambitious targets to become a net zero asset owner by 2050 which align with the 1.5-degree Paris Agreement scenario.

The table below outlines the **nature, source and outcomes of these metrics**.

Time horizon	Baseline year	Climate-related metrics category	Metrics	Targets	2022 performance	Main drivers and actions to achieve target
Investment*						
Short, medium and long	2019	Carbon emissions intensity of our portfolio	Weighted Average Carbon Intensity (WACI) Carbon emissions in tonnes CO_2e/$USDm revenue	25% WACI reduction by 2025	(43)%	Reduce the carbon footprint of our portfolio and shift our assets under management to more sustainable investments
Short	n/a	Exposure to companies for coal	Divestment from companies that exceed the 30% threshold of coal revenue	Equities: Full divestment by 2021, which we continue to monitor so as to maintain this divestment position Fixed income assets: Full divestment by 2022	Completed all divestment at the Singapore level - the Group ESG Report provides further detail on progress across the Group on coal exclusions	Exclude companies generating more than 30% of their revenue from coal mining and/or electricity generated from coal, controversial weapons and tobacco
Short	Annual	Engagement with companies responsible for 65% of the carbon emissions related to our investment portfolio	Absolute carbon emissions attributed against Enterprise Value Including Cash (EVIC), in tonnes CO_2e	Engage with that year's top emitters that contribute to 65% of Prudential Group's absolute carbon emissions	Efforts to engage with these companies are ongoing	Please refer to *Supporting a just and inclusive transition* section
Enterprise business						
Short	n/a	High-risk customers	Percentage of company revenue tied to coal and tobacco, and verified involvement in controversial weapons	Ensure our enterprise business customers comply with the same standards we apply to investee companies under our Responsible Investment Policy	0%	Identify high-risk companies that will be managed by our Enterprise Business team.

* All asset classes (except cash and derivatives) are under the scope of the Group's Responsible Investment Policy. However, Prudential plc has a separate policy regarding sovereign bonds issued by the national government. The decision to invest in sovereign bonds from the local government are largely driven by asset owners' ALM considerations and in some cases, local regulations. Therefore, investment decisions regarding local sovereign bonds cannot be dependent on ESG considerations. Instead of excluding government bonds from the Responsible Investment policy, Prudential plc focuses on specific Responsible Investment strategies and market influence.

Strategic Pillar: Building social capital

"It's very fulfilling for me to know that my role helps to promote an inclusive environment in which our people are comfortable expressing and being themselves at work as they journey professionally with us."

Cheryl Tay
Lead, Culture and Diversity, Inclusion and Belonging

We invest in building relationships with our employees and broader stakeholders to build social capital. At Prudential Singapore, we want to lead by example when it comes to ensuring our workforce is diverse and inclusive and our workplace provides a sense of belonging. Just as we place significant importance on people responsibility, we also take a serious position on digital responsibility. This means protecting data and prioritising privacy in our entire digital ecosystem.

Digital responsibility

Our approach to digital responsibility is carried out with integrity and transparency. Having robust information security and privacy processes in place is vital as it helps to gain the trust and recognition of customers and improve the company's reputation. As we increase the use of digital technologies in our business, we also need to be mindful of any technology and security risks that may arise. Prudential employs a robust framework to help us identify, detect and mitigate such risks. This includes policies around information security, data protection and privacy which help protect the company's integrity and ensure long-term resilience.

Data privacy and protection

As a life insurer, we deal with sensitive data which includes our customer's personal health information. It is our duty to continuously protect customer privacy and ensure that our data management processes are impermeable.

The impact of having strong data privacy and protection helps to maintain people's trust and confidence in the financial services industry and the economy. If data privacy and customer protection are not managed with care, breaches may occur, and this could result in substantial fines and loss of consumer confidence. More importantly, we need effective data protection laws and regulations so that the rights of citizens are protected against the misuse of their personal data. Organisations must use data in a fair, transparent and accountable manner for the benefit of people and society.

As a Group, a key focus in 2022 was to further embed privacy in our business and ensure that the protection and compliant use of personal data is a key component in new and existing projects and initiatives. Our Group Privacy Policy (GPP) requires localised training to raise awareness of employees' understanding of local privacy laws. In Singapore, our Data Protection Policy is reviewed periodically and has been updated with the latest regulatory requirements from the Personal Data Protection Commission (PDPC). The policy lays out the roles and responsibilities and documents the requirements under the Personal Data Protection Act (PDPA).

Our Privacy Impact Assessment continues to help employees identify and manage privacy risks in new and existing processes by reviewing how these processes may affect the privacy of individuals whose personal data are being processed. With the shift to hybrid working in 2022, we reviewed our data protection risks and enhanced our secure remote working security controls to protect the legitimate access, as well as the confidentiality and integrity, of data exchanges.

Consistent with previous years, all employees undergo annual data protection training to ensure they are familiar with fundamental knowledge in the areas of customer privacy, information security and technological risks. We communicate regulatory requirements and changes to our people regularly, so they continue to keep the importance of data protection and privacy top of mind while going about their daily work. Failure to complete this mandatory training will result in disciplinary action.

In addition to the annual data protection training, all employees also undergo regular phishing exercises to ensure they can quickly spot technology vulnerabilities, information security risks and potential cyberattacks by external actors. Employees who do not pass the phishing exercise will need to complete the phish retraining. The completion rate for the last phish retraining in 2022 is 100%.

Just as our employees are key to protecting our organisation against technology risks, our financial consultants also play an important role. Therefore, we conduct an annual Technical Knowledge Assessment to ensure they are also familiar with the fundamentals of customer privacy, information security and technological risks. New financial consultants are required to complete the data protection e-learning module. We also communicate regulatory requirements to our financial consultants regularly, so that they keep the importance of data protection and privacy at the forefront.

Data breaches are managed as incidents which are handled by our internal incident reporting group. Various internal stakeholders are involved in this process to assess the impact of the incident and decide on remedial actions, including training for affected individuals. Where required, we also report incidents to our regulator. From a governance perspective, quality assurance reports and data breaches are made available to the Risk Committee, where needed. If the matter requires escalation, the Risk Committee will inform the Board Risk Committee, who has oversight on technology risk, among other topics.

During the reporting year, a total of nine cases of identified leaks, thefts or losses of customer data were reported to the PDPC. There was one substantiated complaint received concerning breaches of customer privacy in 2022. Incidents and complaints reported in this section cover corporate incidents only.

We remain committed to upholding our customers' trust by prioritising the privacy and protection of their data and acting with integrity and will continue to improve on our security risk and controls.

Data governance

The Data Governance Council is accountable and responsible for ensuring that we manage our data assets effectively to meet our regulatory, compliance and financial reporting obligations, and enable continuous growth and improvement of end-to-end customer experiences with better health and wealth management solutions.

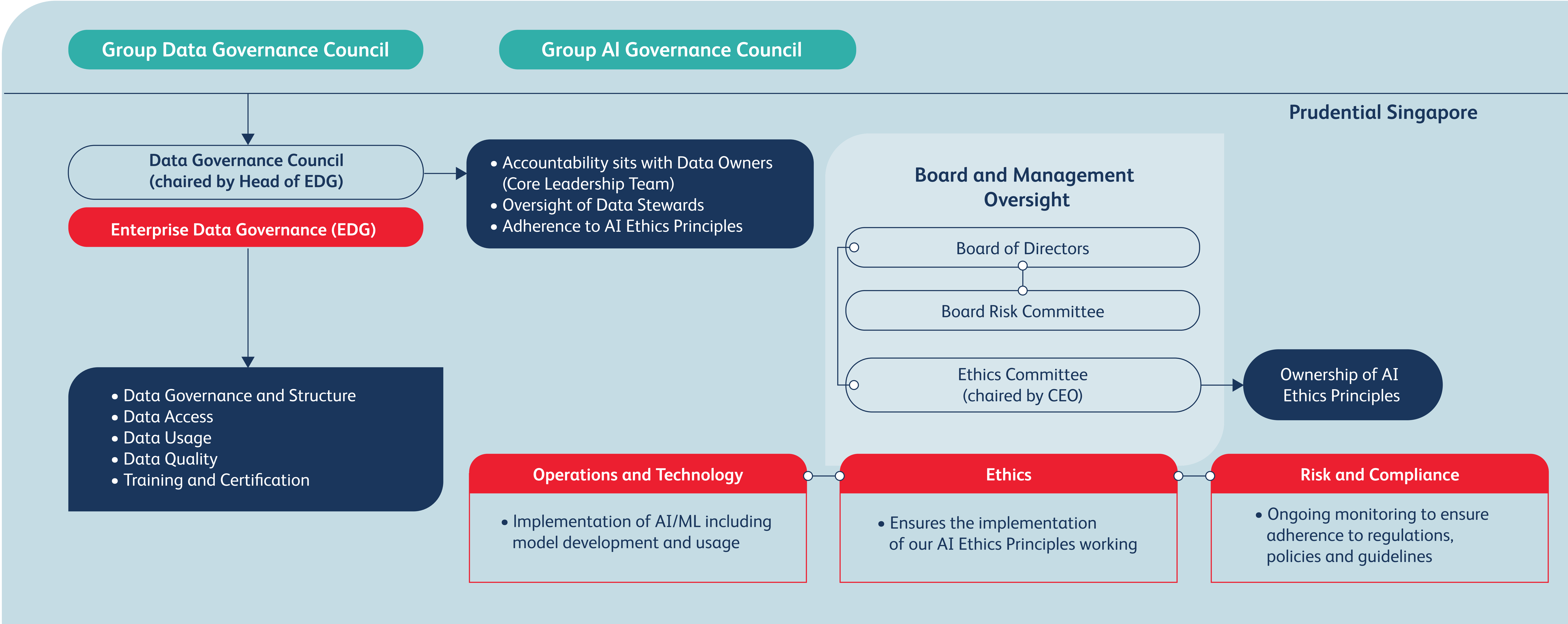
Following the setting up of this council in 2021, we rolled out several new initiatives this year to further enhance our data governance and structure and improve our data integrity and access. We prioritised the implementation of Collibra Data Governance capability, which allows us to operationalise data governance workflows and processes to deliver trusted data across our organisation. We also incorporated data review into our project effectiveness scoring framework for strategic projects.

The impact of having strong data privacy and protection helps to maintain people's trust and confidence in the financial services industry and the economy.

In 2022, our Enterprise Data Governance team, together with data owners and stewards, successfully identified over 1,300 core data assets across seven data sets from Customer, Distribution, Finance, Pricing, Product, Human Resources and Risk. The core data gathered, along with its definitions, characteristics and lineage will be uploaded to Collibra, our data management tool, and made available to data users as information to strengthen workflows and processes around the core data for effective data governance and data quality management.

As part of data integrity, we implemented Collibra data quality capability and logged data quality issues across the company. Data access was also improved upon by onboarding pilot business users onto a comprehensive business glossary, which subsequently enabled a seamless data extraction process.

In 2022, we also rolled out organisation-wide training with the objective of introducing basic principles of data governance, operating models, roles and other relevant concepts such as data quality and control. This second annual training saw 60% of our employees completing the training. In 2021, this training was mandatory with a 90% completion rate, however, the training was made non-mandatory in 2022 and served as a refresher for our employees.



Strengthening our governance on artificial intelligence and machine learning

During the reporting year, we strengthened our governance structure and processes regarding our approach to artificial intelligence (AI) and machine learning (ML). In 2021, we shared that ownership of our AI Ethics Principles sits with our management-led Ethics Committee. The diagram above provides a summary of our governance structure and illustrates how the Enterprise Data Governance, Operations, Technology, Ethics and Risk and Compliance functions come together to oversee and safeguard our implementation of AI/ML. This includes ensuring that the eight AI Ethics Principles of value, transparency and explainability, fairness, reliability, compliance, accountability and responsibility, privacy and security, and assurance are adhered to.

To operationalise this, we set up an AI/ML Working Group in 2022 to assess and review the use of AI/ML and Data Analytics; and ensure that the process or model used will fulfil both internal guidelines and regulations. It is also responsible for discussing the future direction and reviewing any potential challenges or issues on the use of AI/ML and Data Analytics in Prudential. The Working Group is chaired by the Head of Ethics, and its five members are the heads of Enterprise Data Governance, Analytics, OPEX Centre of Excellence, Data Engineering and Compliance. It reports to the Ethics Committee.

Members are key to ensuring that all initiatives that adopt AI/ML and Data Analytics comply with the MAS Fairness, Ethics, Accountability and Transparency (FEAT) Principles and Prudential's AI Ethics Principles. In the event any process or project needs to be reviewed more thoroughly, they will be escalated to the Group.

The AI/ML Working Group met twice in 2022 and worked on enhancing our process for capturing projects that may contain elements of AI/ML. This was done during the project charter stage where project owners were required to complete a questionnaire as part of the project's data profile. We have also established several criteria for what constitutes an AI/ML adoption, and that includes whether a system has a feedback loop that allows us to learn from the differences between model expectations and real-world outcome, and whether it contains any elements of statistical or machine learning, or probabilistic modelling.

People responsibility

Our employees are crucial in ensuring the success of our business and building a sustainable workforce. We invest in our people as part of our efforts to build social capital and continue to strengthen our employee value proposition in 2022. As the company moved to a hybrid work arrangement in a post-Covid era, we remained committed to employee wellbeing and continue to promote flexible work and pursue equitable opportunities for every employee.

Employment[12]

Information on our employees is shown in the table below. In compiling this data, we have used the full-time equivalent (FTE) methodology, which is a unit of measurement equivalent to the number of hours typically worked by a single full-time employee.

	Female	Male	Other (gender as specified by the employees themselves)	Not Disclosed (gender not disclosed by employees)	Total
Total number of employees	754	478	N/A	N/A	1,232
Number of permanent[13] employees	724	447	N/A	N/A	1,171
Number of temporary[14] employees	30	31	N/A	N/A	61
Number of non-guaranteed hours employees	N/A	N/A	N/A	N/A	N/A
Number of full-time[15] employees	752	478	N/A	N/A	1,230
Number of part-time[16] employees	2	N/A	N/A	N/A	2

Prudential Singapore has engaged workers who are not categorised as employees for specific management purposes. The total number of such workers in 2022 are reflected in the following table:

Type of worker[17]	Number of workers	Contractual relationship	Scope of work
Contractors	67	No	They are on a service arrangement for a limited duration, and their employment comes to an end with the completion of a specific event, including the end of a project/work phase/return of replaced employees.
Interns[18]	21	Yes	These are short-term work opportunities offered to students, enabling them to gain entry-level exposure in the insurance industry or fields related to their studies.

As we emerged from the pandemic, hiring ramped up in 2022, with overall hire rate up by 2.5 times, from 11% to 27%.

For the group under the age of 30, the rate increased by 2.8 times, while the rate for the 30 to 50 years age group jumped 2.3 times, mainly due to talent availability in the market. We have more than doubled our total hires across all age groups following the removal of our temporary freeze on resignation replacements, as well as the removal of our gender ratio hiring guidelines.

12 All data provided is based on our operations in Singapore only.
13 Permanent employment contract refers to a contract with an employee, for full-time or part-time work, for an indeterminate period.
14 Temporary employment contract refers to a contract of a limited duration, and is terminated by a specific event, including the end of a project or work phase or return of replaced employees.
15 Full-time employee is defined as an individual working 39 hours per week.
16 Part-time employee is defined as an individual working less than 39 hours per week.
17 We define contractors as third-party contractors and interns as students who have signed leave of absence agreements with Prudential Singapore.
18 Number of active interns as of 31 December 2022.

Data[19] on our new employee hires[20] and employee turnover[21] are shown in the tables below:

	Total number of employee hires		Total number of employee turnover	
	2021	2022	2021	2022
Under 30 years	44 I 21%	110 I 70%	52 I 20%	46 I 17%
30 to 50 years	80 I 9%	173 I 23%	191 I 20%	116 I 12%
Over 50 years	6 I 6%	6 I 6%	18 I 18%	9 I 9%

	Total number of employee hires		Total number of employee turnover	
	2021	2022	2021	2022
Male	68 I 10%	118 I 30%	132 I 17%	68 I 13%
Female	62 I 13%	171 I 27%	129 I 24%	103 I 13%

Our internal Hiring Policy provides guidelines to ensure consistency in our recruitment process. The policy covers the selection methodology for permanent, contract, temporary and internship positions. In support of fair employment practices, from 2022, we do not require payslips as proof of last-drawn salary before making offers to candidates. Instead, we refer to the market value of the job to determine the appropriate salary. Through our employment practices, we have positively contributed to society by providing 436 jobs[22] across various divisions in Prudential Singapore in 2022.

19 Data compiled on employee hires and turnover are calculated using FTE methodology and do not include interns, trainees, contingent workers and international business financial consultants.

20 Employee hire rate is calculated as total hire in the reporting year divided by total number of employees in previous reporting year.

21 Employee turnover rate is calculated as total turnover in the reporting year divided by the sum of total number of employees in the previous reporting year and total new hires in the reporting year. Turnover numbers include voluntary and involuntary.

22 This includes a total of 372 permanent and contract employees, and 64 interns.

Connect, grow and succeed

Our Group Culture Framework, which consists of **four key elements of purpose, principles, values and future-ready skills**, steers us to fulfil our people responsibility.

To help our employees get the most out of life, we focus on helping them connect, grow and succeed. We achieve this by supporting an inclusive workplace, providing opportunities for training and development and ensuring our employees are rewarded and recognised for their efforts.

Purpose	We help people get the most out of life	**WHY**
Principles	We put customers first | We act with integrity | We embrace a growth mindset | We invest in communities | We take the long view	**HOW**
Values	AMBITIOUS | CURIOUS | EMPATHETIC | COURAGEOUS | NIMBLE	
Future-Ready Skills	Look Broadly | Tell Stories | Think Conceptually | Imagine Possibilities | Build Iteratively | Work Collaboratively	**WHAT**

Connect Providing a diverse, inclusive and flexible work environment where ideas are welcomed, contributions valued and everyone is encouraged to bring their true self to work	**Grow** Giving our people the time to grow and develop, with support and feedback when it's needed and a culture that encourages them to challenge themselves and learn new skills	**Succeed** Recognising our people for their skillsets and contributions and looking after their health and wellbeing
Culture	Leadership	Performance management
Diversity, inclusion and belonging	Learning	Reward and recognition
People experience	Talent and succession	Future-ready workforce

Connect

Culture and people experience

We are committed to building a culture that is inclusive and where our employees feel safe to share their thoughts openly and actively. At Prudential Singapore, we have five shared values – ambitious, curious, empathetic, courageous and nimble – that help to reinforce our culture of inclusivity throughout the organisation.

These five values guide us in the way we conduct ourselves and represent the best of who we are:

- Ambitious: We push ourselves and each other to achieve greatness together;
- Curious: We stay humble and seek to learn new perspectives;
- Empathetic: We learn to walk in other people's shoes and pay attention to their situations;
- Courageous: We do the right thing and respectfully challenge ideas; and
- Nimble: We adapt and become more resilient through learning from our mistakes.

With our employees playing a pivotal role in the success of our business, we consciously make it a point to seek their concerns and feedback to better understand their needs and interests. We accomplish this by having frequent engagements with them. One such example is the Collaboration Jam, a three-day virtual conversation that aims to bring our employees from Asia and Africa to share on issues that are important to them.

In 2022, we held our third Collaboration Jam in September 2022, with over 2,600 posts contributed by 553 of our Prudential Singapore employees. The key insights from the Jam included a desire for more informal face-to-face interactions and more cross-division activities. As with prior years, these insights helped to shape our subsequent initiatives, and we launched Mystery Coffee soon after the Collaboration Jam. This new initiative addresses our employees' wish for more informal interactions by matching colleagues from different localities to meet for an informal chat over coffee.

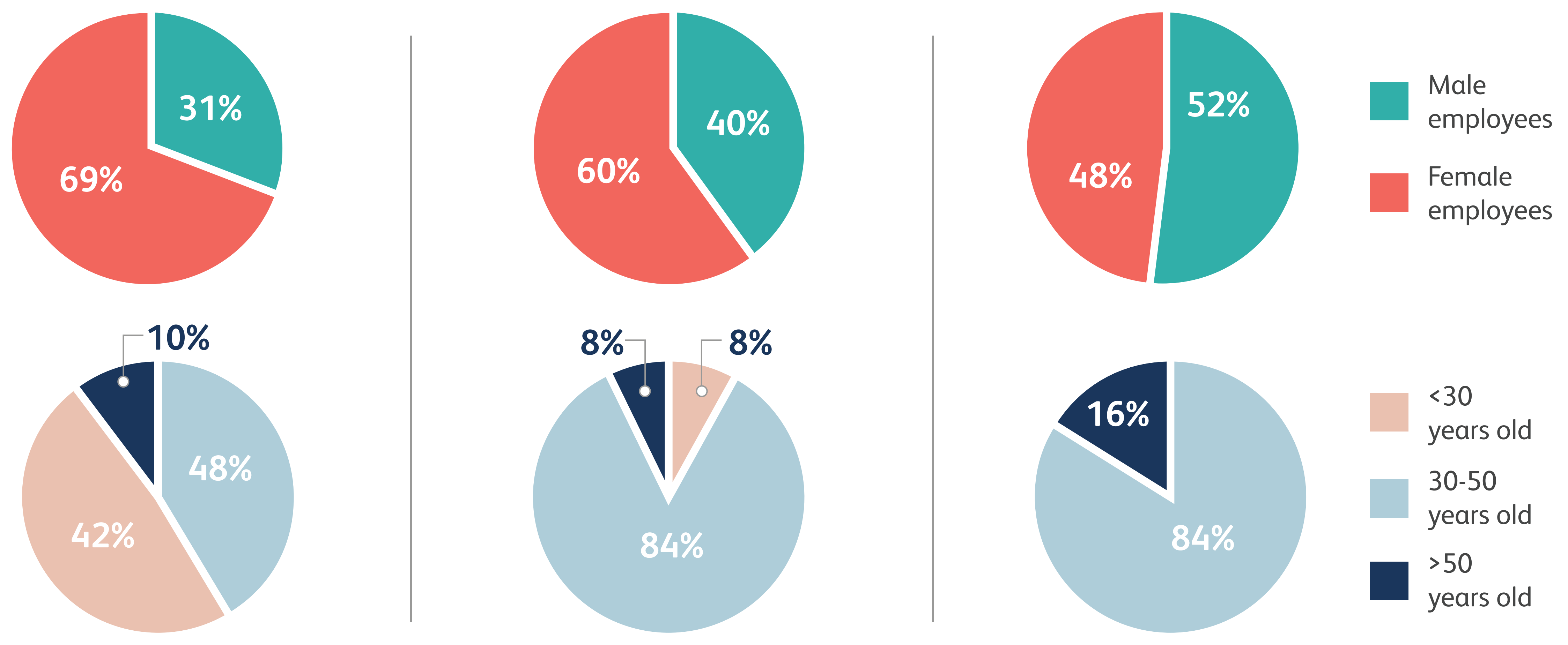
Diversity, inclusion and belonging

Diversity and inclusion (D&I) continue to be vital aspects of our Group. Diversity within the organisation can lead to positive impacts such as encouraging employees to challenge their own assumptions and fostering a more inclusive and equitable workplace where our different cultures, perspectives and experiences are embraced. At Prudential Singapore, we are committed to building a safe and equitable work environment where everyone feels valued and appreciated. We recognise that the inclusion of diverse skillsets and backgrounds enriches the company and promotes an environment where our differences are accepted by others, thus deepening our sense of belonging.

One of our most distinctive priorities for D&I is on promoting gender equality. Increasing female participation ratio and reducing gender pay gap are some of the goals we have set in alignment to this priority. In 2020 and 2021, our female participation rate for senior managers and above were 51% and 50% respectively. We are heartened that the female participation rate in 2022 is at 52%, which is consistent with our target.

We had a 50% female representation rate for our Board of Directors, which consists of six members, from January to October 2022. In November 2022, the female representation rate tilted to 33% following the Chair role being replaced by Mark FitzPatrick. All of them are above the age of 50.

The charts below provide a further breakdown of our gender split by levels and age.



Executive* | **Middle management*** | **Senior management***

* Note: For the purpose of this report, executive refers to senior executives and below, middle management refers to associate managers to senior managers, and senior management refers to deputy vice president and above.

The ratio of basic salary and remuneration of women to men for each employee category by significant locations of operations[23] is shown below:

	Basic salary*		Remuneration*	
	Male	**Female**	**Male**	**Female**
Executive	1.0	1.00	1.0	1.01
Middle management	1.0	0.99	1.0	0.99
Senior management	1.0	0.99	1.0	0.99

* Note: Basic salary is defined as a fixed, minimum amount paid to an employee for performing their duties while remuneration is defined as basic salary plus additional amounts paid to a worker which can include bonuses, benefit payments, overtime and any additional allowances.

Our ambition from 2022 to 2024 is to close the gender pay gap to zero. In 2022, this goal has been further defined as a range of 0.5% to (0.5)% due to constant staff movement. **With our gender pay gap decreasing from 1.3% in 2021 to (0.3)% in 2022, we have met our goal and will continue to work towards supporting equal opportunity for women.**

The Employee Handbook covers a multitude of policies relating to D&I including interchangeable public holidays, where employees can opt to take their public holidays on another holiday based on their ethnicity and religion. We also support employees over age 55 by increasing their Central Provident Fund (CPF) contribution rate to help them be better financially prepared for their future. These policies signal the importance we place on building an inclusive environment for our employees.

We have also undertaken many initiatives to engage our employees and create an inclusive workplace such as:

- Silver Surfing With – We refer to our senior employees aged 51 and above as Silver Surfers. To deepen their sense of belonging with us and ensure they are not isolated from the workforce, quarterly engagement sessions called Silver Surfing With are arranged to connect our Silver Surfers with our core leadership team (CLT). These sessions cover topics such as active ageing, upskilling and reskilling. Our Silver Surfers have also been given opportunities to upskill and reskill, with 27 of them taking part in the Career Conversion Programme (CCP) in 2022, bringing the total number to 53.
- Inclusion Week – To celebrate inclusion and diversity of skills within our teams, families and communities, Inclusion Week was organised with multiple activities such as Inclusion Challenge, where divisions pitched their ideas to enhance inclusion within the organisation. Over the week, we had more than 600 colleagues participating in one or more events. For our Family Day, more than 270 colleagues and family members gathered at the Marina One Office for games and snacks.

23 Data is computed based on teams with more than five males and five females to ensure sufficient sample size and a meaningful analysis. Location of operations is for Singapore only.

To build camaraderie among our employees, we provide opportunities for them to bond over social activities. The Staff Recreation Committee (SRC) continued to organise events with the aim of deepening our employees' sense of belonging and building a positive work environment. In 2022, a total of 11 events were held, covering game nights, fitness lessons and art jamming sessions. These activities saw more than 380 attendees[24], who participated in over 859 hours of SRC activities. Specifically, for PLAYDAY 2022, we had about 800 attendees.

Since remote working became prevalent during the pandemic, it has become clear that our people are opting for working arrangements that give them flexibility. We launched PRUAnywhere in 2022, which enables our staff to work conveniently from private booths and desks in co-working spaces across the island. This provides our employees with the option to work based on their commitments and schedules, increasing work efficiency and productivity. With over 200 early adopters in its first year of launch, the initiative has been gaining traction with nearly 120 active users. As we continue to track the participation rate, we hope to have a better understanding of our employees' preferred new ways of working so that we can address these while maximising productivity.

Grow

At Prudential Singapore, we want our employees to adapt and thrive in the workplace. We do this by providing access to various learning platforms and working with different partners to enable extensive learning and development. Our upskilling and reskilling efforts impact our employees positively by providing them with a greater range of opportunities for future career transitions across their professional lifespan. Positive impacts of our training and development initiatives on our people and society include developing and strengthening the skills of Singapore's workforce to ensure that they have the necessary future-ready capabilities to remain relevant and employable. This can lead to more economic growth as people upskill and reskill to better adapt to new economic challenges.

Leadership, talent and succession

At Prudential Singapore, our leaders are kept abreast of the skills needed in today's workplace as we build a future-ready pipeline of talents. Under our Catalyst talent programme, high-performing employees undergo a comprehensive programme that focuses on education, exposure and experience, with the aim of enhancing their leadership capabilities. In 2022, the talent pool has increased by 37%, and our talents have taken on secondment roles or internal assignments across business units and Group functions. Some of these talents took up roles in countries such as Thailand, Cambodia, Hong Kong and Myanmar where they worked on strategic projects for the business. Through this initiative, we want to nurture our next generation of leaders so that they can lead our company well into the future.

Learning

Our employees are empowered to learn anywhere, anytime and at their own pace. Guided by our Learning and Development Policy, we seek to enhance the competencies and capabilities of our employees and encourage continuous learning so that our people are up to date on the latest developments in our industry. We offer them various opportunities to upgrade and develop their skills through access to online e-learning platforms, higher learning institutions and internal programmes.

In 2022, our employees logged more than 40,000 learning hours through mandatory e-learning and self-directed learning on multiple learning and development platforms including LinkedIn courses, Udemy courses and myHR courses. Information on the average training hours from 2020 to 2022 is shown in the table above.

Average training hours	2020	2021	2022
Per employee	28.9	31.3	33.9
Per female employee	28.8	30.1	33.2
Per male employee	29.0	33.1	34.9
Per executive	29.3	31.4	36.0
Per middle management	28.7	31.6	32.8
Per senior management	28.5	29.9	33.9

The average training hours in 2022 have increased due to the uptake of professional development areas for actuarial and industry-related topics, as well as the focus on equipping our people with future-ready skills and capabilities.

In line with our commitment to help employees gain the skills required to thrive in the workplace, we have organised PRUFaculty sessions. These are peer-to-peer learning sessions where colleagues share their knowledge and experiences in their areas of expertise with other colleagues. Since the launch of this peer-sharing initiative in 2021, we have close to 50 PRUFaculty trainers who share on a wide range of topics including career development, effective communication, ethics and enterprise data governance. These give our employees an opportunity to understand more on the different functions and priorities of the business, as well as acquire knowledge on different areas of expertise.

Other programmes that support learning and development opportunities within Prudential Singapore include:

- **Coaching Champions –** At Prudential Singapore, we want to build a coaching culture that empowers employees to adopt a growth mindset and take ownership in seeking other colleagues for guidance and advice. Our Coaching Champions have undergone six months of training to become a development coach to other employees and focus on one-to-one coaching on professional and personal development goals. In 2022, we have more than 30 Coaching Champions and have also expanded the programme to include coaching on wellbeing, including anxiety and stress management. A total of 26 teams and 55 individuals have been coached on wellbeing so far.
- **SGUnited Traineeship Programme (SGUT) –** Since 2020, we have been supporting the SGUT programme, which aspires to help fresh graduates and mid-career individuals acquire industry-specific competencies through traineeship arrangements. In 2022, we onboarded five SGUT trainees with a conversion rate of 60% as we focus on filling full-time placements.

While we have no transition assistance programmes in place, we continue to ensure that our workplace remains age inclusive. We removed the retirement age in 2018 and increased the CPF contribution rate for employees aged 55 and above. Additionally, our Silver Surfers continue to upskill and grow themselves professionally through CCP and connections with Coaching Champions.

24 From 2022, we will be disclosing total attendees because we no longer track unique attendees.

Succeed

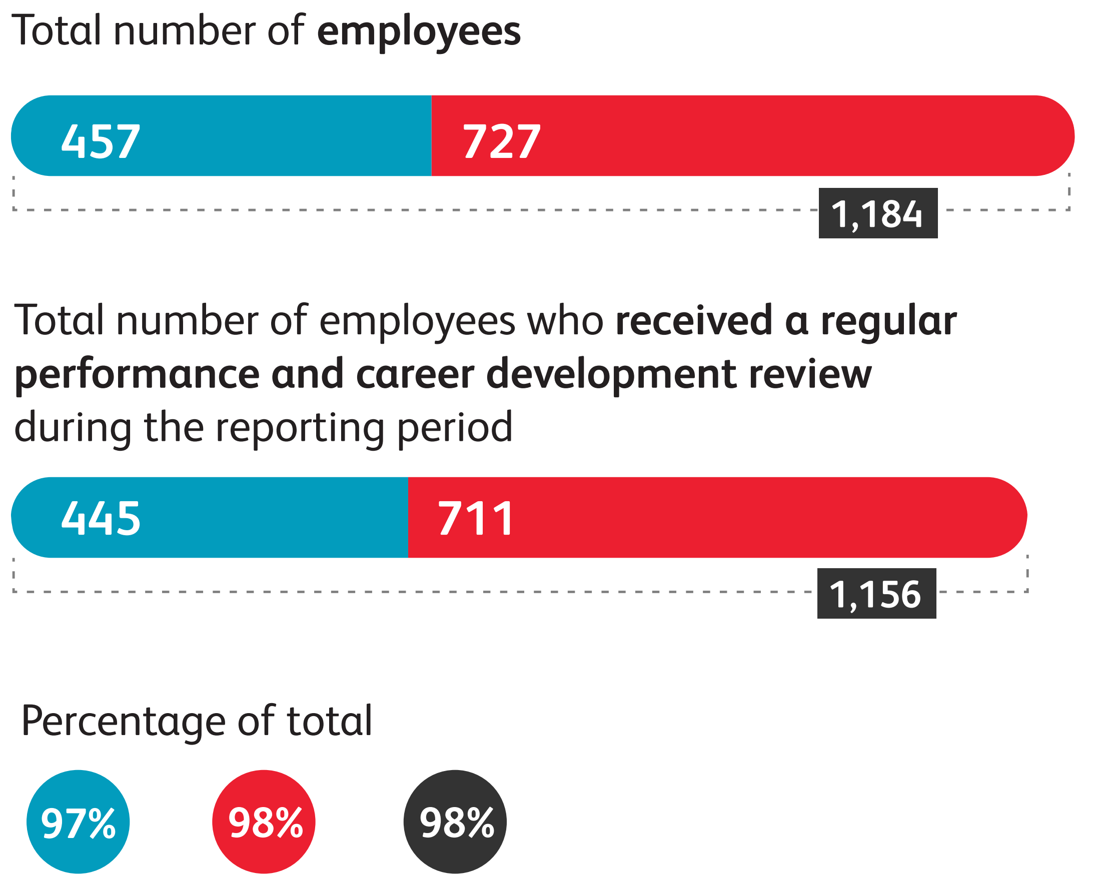
The success of our business is highly dependent on our employees. We give recognition to our employees for their contributions by rewarding them for their work performance and showing appreciation for their efforts. Additionally, we also take the necessary steps to make sure that their health and wellbeing needs are met.

Performance management

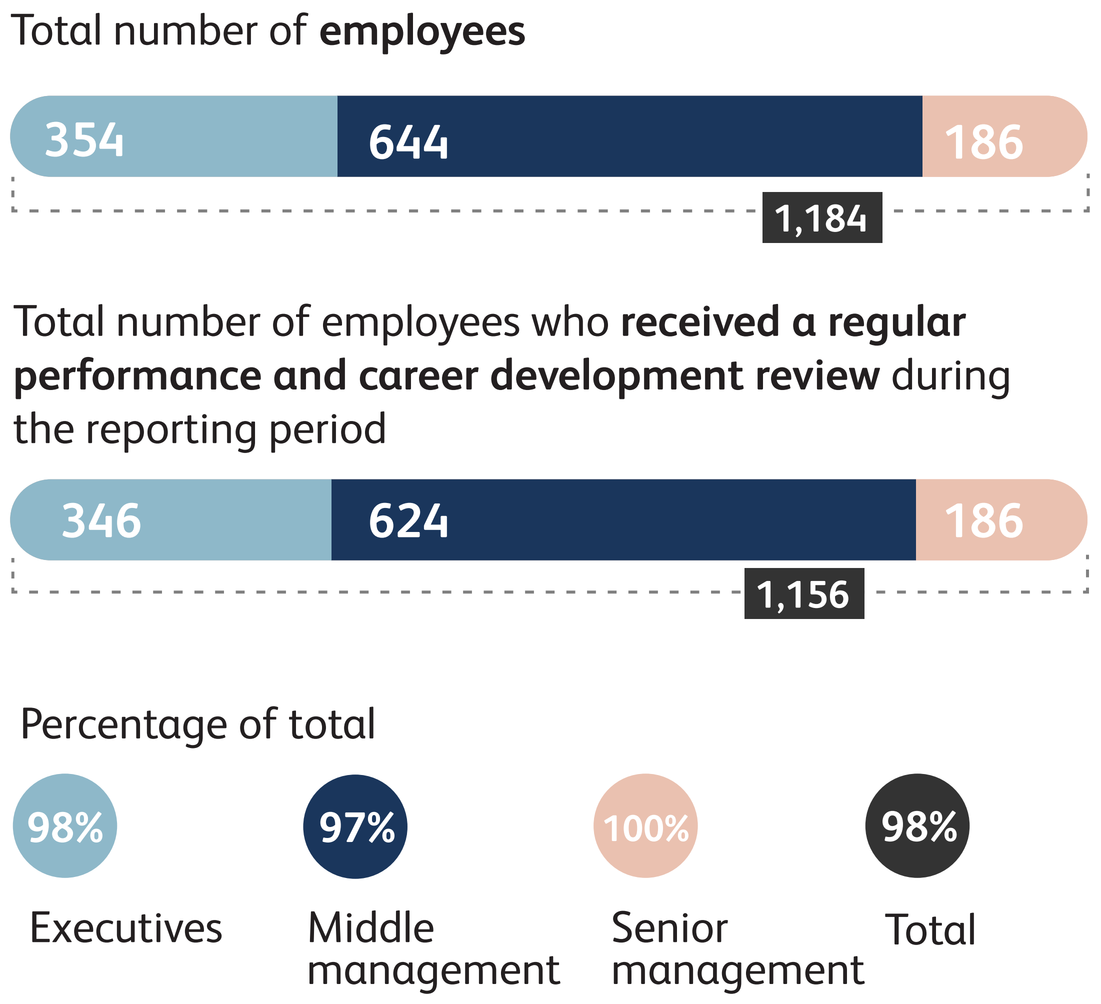
Performance feedback and career development reviews are essential for guiding our employees on the right path in their career journeys. At Prudential Singapore, formal performance and career development review for our employees occur at least twice a year. Employees who joined after 1 Oct 2022, interns, trainees, contingent workers, contract staff and international financial consultants are excluded from this. Our TellMe app is used to ensure timely feedback is given and continuous discussions between managers and employees take place throughout the year. In 2022, a total of 1,364 employees used the TellMe app and an average of 40% of the feedback exchanged was cross-divisional. The average cross-divisional feedback is 8% higher than that of 2021 and indicative of increased collaboration within the company. Please refer to the table below on the total employees who have received regular performance and career development review in 2022.

Employee performance reviews

By gender



By job level



Reward and recognition

Our wide range of employee benefits[25] and rewards enhances our employees' wellbeing and boosts their morale. These can lead to an increase in productivity and output within our workforce, support economic growth as well as social mobility for individuals. As a crucial driving force of our business, our employees' wellbeing is of utmost importance. All full-time employees are entitled to life insurance, disability and invalidity coverage, such as Group Term Life coverage with a supplementary support of six months guaranteed cash and Group Pre-Crisis Guard which covers medical conditions in its early and intermediate stages. We are also planning to roll out a new insurance benefit for Group Accidental Death and Dismemberment in 2023. For healthcare benefits, we provide Group Hospitalisation & Surgical/Group Major Medical (GHS), Group Clinical General Practitioner, Group Specialist, Group Dental, Health Screening and Vaccination.

Other benefits available for our full-time staff are:	
Parental leave	Male employees are entitled to three weeks while female employees are entitled to 24 weeks of parental leave.
Retirement provision	Employees with more than 15 years of service who retire from the Company will receive S$3,000 worth of vouchers.
	We have normalised CPF contributions for senior employees older than 55 years by increasing the CPF contribution rate to 17%.
Stock ownership	Employees can partake in PRUshareplus, a share plan that gives employees the opportunity to invest in Prudential. For every two shares bought by our employees, Prudential gives our employees one more share for free. In 2022, 38% of our full-time employees are active in this scheme.
Other benefits	As part of our continuous effort to promote a family-friendly culture, all permanent employees are entitled to six days of PruCare Leave to spend quality time with their family.
	Lifestyle dollars allowance is paid to all permanent employees to encourage spending on lifestyle needs and wants with no restrictions on the type of expenses the Lifestyle Dollars can be used on.

25 The benefits mentioned in this section are applicable only to full-time employees.

Parental leave

	Year	Male	Female	Total
Total number of employees entitled to parental leave (employees who are married)	'22	327	479	806
	'21	263	334	597
Total number of employees who took parental leave	'22	21	33	54
	'21	12	16	28
Total number of employees due to return to work in the reporting period after parental leave ended	'22	21	29	50
	'21	18	20	38
Total number of employees who returned to work[26] in the reporting period after parental leave ended	'22	21	20	41
	'21	18	20	38
Total number of employees who returned to work[27] after parental leave ended and remain employed 12 months after their return	'22	12	18	30
	'21	18	31	49

	Male	Female	Total
Return to work rate of employees that took parental leave			
'22	100%	60%	76%
'21	100%	100%	100%
Retention rate of employees that took parental leave[28]			
'22	67%	90%	-
'21	64%	94%	-

Retention rate of female and male employees that took parental leave in 2022: 79%

For the long-term success of the company, it is imperative that we look after the mental wellbeing of our employees. In 2022, we rolled out the Mental Wellbeing Supporter programme, where our colleagues were trained to become Mental Wellbeing Supporters. Following the training, a total of 16 employees across all divisions now serve as contact points to provide support and reassurance to employees who may be facing difficulties. In doing so, we encourage our employees to reach out and receive the assistance they need to address the challenges they face.

To further support our employees' health and wellbeing, we introduced Reflect, Rejuvenate and Recharge (RRR) Leave where employees who have completed at least five years of employment with the company are given the option to take a two-month sabbatical. This allows them to take a pit-stop to rest, recharge and pursue personal plans before the next step of their career with us. Employees who are eligible will be able to take this leave from 2023.

A fair compensation strategy is essential for talent retention and contributes to employee motivation. At Prudential Singapore, we want to make sure that our employees are given competitive compensation packages to reward them appropriately for the work they do. The following section provides information on our remuneration policies and total annual compensation ratios.

The remuneration policies for our senior executives and directors:

	Senior executives	Board of Directors
Fixed pay	Fixed pay consists of basic salary.	Executive directors' payment policies follow that of senior executives. Independent directors are paid directors' fees which are reviewed annually and any changes are subject to the Nomination and Remuneration Committee (NRC)'s recommendation to the Board and Board's approval. The review considers factors such as directors' contributions, effort and time spent, frequency of meetings, respective responsibilities, industry benchmarks and market practices for independent director compensation.
Variable pay	Variable pay consists of performance-based variable bonus and long-term incentives such as share awards.	
Sign-on bonuses or recruitment incentive payments	Guaranteed bonuses to new hires are permissible on the condition that these have been pre-defined in the employment contract and are applied for a specific performance period, subject to the company's corporate governance requirements.	
Termination payments	Any payments made relating to the early termination of a contract will consider performance over time and adhere to the principle of avoiding payments that reward failure. Any payments made in respect of outstanding long-term incentive plans and/or deferred bonus awards will be subject to the relevant plan rules.	
Clawbacks	Clawback and/or malus provisions are normally applied to support the risk management objectives of the business area or to satisfy regulatory requirements.	
Retirement benefits	Contribution to CPF is one of the retirement benefits. A select few senior executives may be eligible to participate in the Group's retirement plan.	

26 Returning to work refers to returning after the four-month mandatory parental leave for females, while for males it is after utilising their optional three-week paternity leave.
27 Based on those who returned to work in the preceding year and remain employed 12 months after their return.
28 Calculated by dividing the total number of employees who returned to work after parental leave ended and remain employed 12 months after their return in 2022 by the total number of employees who returned to work in the reporting period after parental leave ended in 2021.

The responsibility for the regular review and update of the Group Remuneration Policy lies with the Group Human Resources Director. When reviewing the policy, factors such as best practice standards, relevant regulations and legislation are considered. Views of stakeholders and remuneration consultants were not sought while determining remuneration, in accordance with the practices defined in the policy.

Prudential Singapore has a Nomination and Remuneration Committee (NRC) which oversees the review of remuneration packages for independent directors, members of the CLT, Appointed Actuary and relevant senior management staff. For more information on the NRC's role, please refer to the 2022 Annual Report.

Future-ready workforce

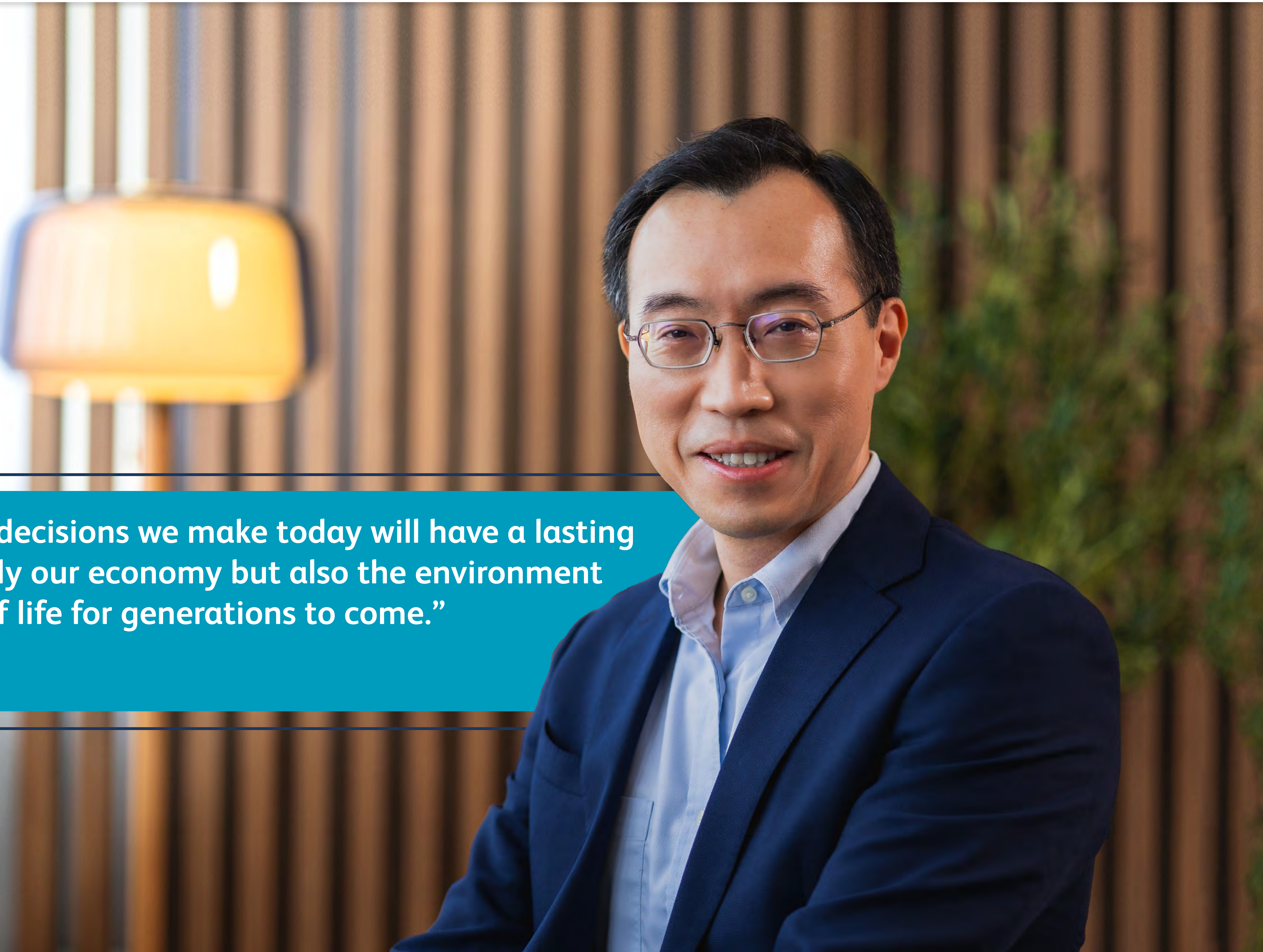
In this ever-changing work climate, it is essential for individuals to possess future-ready capabilities to stay relevant and competitive. Continuous upskilling and reskilling are needed to adapt to the challenges of the future work environment. One of the prominent programmes implemented to reskill our employees is the Career Conversion Programme (CCP). CCP came to fruition from our partnership with Institute of Banking and Finance Singapore (IBF) in 2020. It was developed with a focus on reskilling people whose roles have been changed or redesigned. As part of the National Reskilling Agenda, we have collaborated with our partners, Workforce Singapore and IBF, to support 45 employees in their career transition, and another 100 to upskill and reskill. The culture of continuous learning and desire to become future-ready at Prudential is evident in our employees' readiness to pick up new relevant skills and upgrade their existing skills.

To reinforce the importance of building future-ready skills, we have implemented another programme – Future of Work webinars. This programme is organised as a six-part webinar series and is centred on preparing our people for the future of work through stories about our culture, business strategy and people priorities. The webinars also promote six skills that Prudential believes are important in our preparation to become future-ready – Look Broadly, Tell Stories, Think Conceptually, Imagine Possibilities, Build Iteratively and Work Collaboratively. At least 73% of our workforce have completed all the series within the Future of Work development programme in 2022.

Our 2023 people strategy will remain focused on promoting the wellbeing of our people to enable sustainable performance. **Above all, we will continue to help our people live well by strengthening our overall culture, reinforcing our values and helping our people connect, grow and succeed.**

> **The culture of continuous learning and desire to become future-ready at Prudential is evident in our employees' readiness to pick up new relevant skills and upgrade their existing skills.**

Strategic Enabler: Responsible investment



"The investment decisions we make today will have a lasting impact on not only our economy but also the environment and the quality of life for generations to come."

Andrew Chen
Head of Investment

In his opening remarks for the Transition Finance towards Net Zero Conference on 4 October 2022, Ravi Menon, Managing Director of the MAS, said "the world is investing nowhere near what is required to get to net zero by 2050."

At Prudential Singapore, we understand that we have a key role to play in providing capital to support the greening of the economy. As a large asset owner and manager, we can make significant and positive contributions through our investments, which is why responsible investment is an important enabler in our ESG strategy.

We see responsible investment as the dual responsibility of both the asset owner and the asset manager. We collaborate closely with Eastspring and other external asset managers on all aspects of responsible investment. We also engage them regularly on the topic of ESG through emails, phone calls and in-person meetings such as client events and presentations. We can confidently say that on an aggregate basis, our engagement and activities with our asset managers have translated into positive outcomes and progress towards the Group's ESG and decarbonisation goals.

Responsible investment helps to accelerate the transition to a low-carbon economy and is key to achieving our carbon reduction goals. The steering of our investments towards companies and industries with lower carbon emissions over time aims to help lessen the impacts of pollution and global warming, which in turn influence the functioning of climates, habitats and ecosystems.

As a significant allocator of capital in financial markets, our investments have a direct impact on the companies we invest in by helping to fund their business growth and product ambitions. We also create indirect impact through country tax revenue contributions that help support governments in terms of the capital resources made available for allocation across the economy.

Our investment in companies and government securities helps to provide capital resources that could be used to support the workforce of companies and parts of society that may be particularly vulnerable and in need of government financial support. Our investments may also have long-term indirect contributions on the environment.

As part of our Group Responsible Investment (RI) Policy, we are guided by several principles that provide a general framework for our overall investment strategy and in-scope asset book. **These principles support our overall objective of achieving a good return on investment for our clients for an appropriate level of risk.**

They include:

- Taking into consideration ESG factors that have the potential to have a material financial impact.
- Applying a long-term approach, whilst remaining sensitive to mandated time horizons and individual ESG issues.
- Taking an inclusive transitional approach, where we are mindful of the need to implement RI strategies in a way that acknowledges the nature of the markets in which we operate and seek to share the financial and social burden of the transition in a fair manner.
- Identifying ESG risk factors and incorporating them in our general risk management and monitoring processes.
- Where material trade-offs exist, seeking to apply judgement in setting out a reasoned investment case that is consistent with our fiduciary duty and overall investment strategy.
- Requiring active investment managers to engage with and influence investee companies on business sustainability and company behaviour, where appropriate. We believe that transitioning companies towards the creation of a more sustainable economy is possible and desirable across all types of investment mandates.

As a significant allocator of capital in financial markets, our investments have a direct impact on the companies we invest in by helping to fund their business growth and product ambitions.

The Group Responsible Investment Policy was updated in 2022 and covers six different implementation strategies:

Screening the portfolio

Maintaining an awareness of the potential risks to the Group's reputation arising from investment activities

Exclusion

Excluding a company from the investment portfolio if its products or conduct is considered to be unacceptable

ESG integration

Incorporation of ESG information into our parts of the investment process:

> Asset allocation
> Portfolio management
> Risk management
> Manager selection

Market influence

Influencing the market with regard to responsible investment by contributing to sustainable initiatives

Capital allocation

Shifting capital from harmful activities towards environment or social needs

> Portfolio decarbonisation
> ESG investments

Active ownership

Maintaining a dialogue with the companies in which we invest about ESG risks and opportunities

Voting policy that supports long-term performance by taking account of relevant ESG issues

Screening the portfolio

Our first strategy helps us maintain awareness of potential ESG risks to our investments. We take a strict approach by ensuring that 100% of our portfolios are ESG-screened, which means that we have applied the minimum ESG threshold on funds and underlying investment. We have adopted tools that assist in the efficient identification of ESG issues related to the companies we research on. We conduct proprietary research that identifies all material risks to sustainable earnings for a company, and we apply judgment around the likely impact of material risks to the longer-term trend valuation of a company. We also consider information obtained from direct dialogues with investee companies. This is supplemented with external sources of information to ensure we are applying our best judgment. In 2021, we reported the need to source for third-party information and in 2022, we have since sourced for ESG metrics from MSCI and other third-party vendors to be able to systematically screen for RI exclusions and report on WACI numbers.

Implicit in our approach is that we do not screen out companies solely on the basis of perceived ESG issues. Although this approach does not prohibit us from purchasing or holding a position due to an ESG issue, consideration of these issues is made part of the investment decision. A poor ESG performer may present an investment opportunity, where we can observe significant mispricing and a willingness and ability for company management to address the material issues it may be facing amid a changing competitive environment.

Exclusion

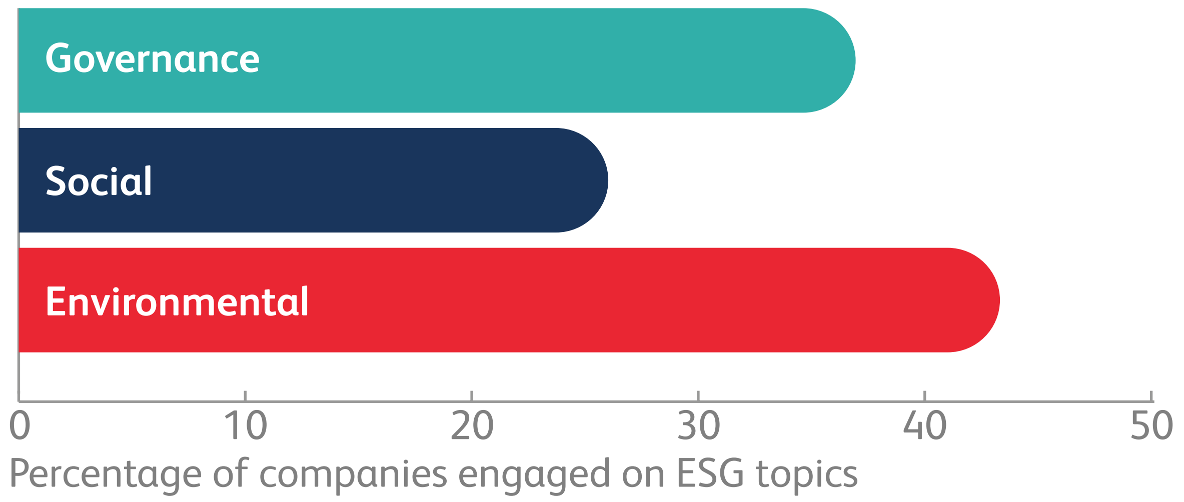
In addition, our exclusion strategy entails excluding a company from the investment portfolio if its product or conduct is considered unacceptable. These include companies generating more than 30% of their revenue from coal mining and/or electricity generated from coal, controversial weapons and tobacco.

ESG integration

We believe that the quality of corporate governance practices, and how companies manage the environmental and social aspects of their operations, can be material to delivering superior longer-term shareholder value. ESG issues and their potential impacts vary across companies, and if they have a material impact on a company's valuation and financial performance, they will be incorporated into our fundamental analysis and decision-making process.

Active ownership through engagement and voting

We believe active ownership via engagement and voting is preferable to divestment, and where we have concerns, we will seek to proactively engage with investee companies through Eastspring. An example is through Eastspring's active participation in the Asian Utilities Engagement Programme by the Asian Investor Group on Climate Change (AIGCC). By continuing their dialogue with the AIGCC, the energy needs of vulnerable and emerging economies are being supported. When a company has demonstrated that they are transitioning to more responsible ESG practices, Eastspring is able to resume investing in them, creating a win-win situation for all. The chart below shows a breakdown of ESG engagements by topic with environmental issues making up the majority.



Eastspring's engagement and voting process

Eastspring's engagement and voting process

Eastspring engages with companies at a management level to determine their preparedness and strategic response to potential impacts from ESG risks, where we see them as material to the trend drivers of sustainable returns. They will incorporate this into their qualitative assessment which contributes to the confidence in their trend valuation assumptions. Their decision to engage is primarily based on what they believe will maximise shareholder value as long-term investors. From time to time, companies may seek their input on a range of issues, and where appropriate, they may play an active role in seeking to effect changes that maximise shareholder value.

When they have concerns on a company's progress, their ongoing engagement will include direct dialogues between portfolio managers and the appropriate representatives or non-executive directors.

Some of the escalation measures include:

- **Expressing concerns to the company's management with other investors collectively.**
  As active members of collaborative organisations such as the AIGCC and the CDP (formerly known as Carbon Disclosure Project), Eastspring may make public statements about their concerns, where they believe it to be in their client's best interests to do so.

- **Submitting shareholder resolutions to address their concerns. Eastspring's active proxy voting decisions are used as a signal to companies on what is expected from an ESG lens.**
  By exercising their votes, they seek to add value and protect their interests as shareholders. All votes are considered in the context of the principles as set out in their investment teams' Proxy Voting Policies.

As a rule, they are supportive of the management of the companies in which they invest in. However, when companies consistently fail to achieve their reasonable expectations, Eastspring will actively promote changes. These changes might range from the formulation of a new strategy to the appointment of new management or non-executive directors. Moreover, where there is evidence to suggest that the material risks to sustainable returns have meaningfully changed, their valuation assumptions will be reviewed. Where the identified material risks sufficiently impact their conviction for their longer-term trend assumptions, in the context of valuation support, they may choose to exit from the investment.

Eastspring believes that their investment professionals are best placed to evaluate all material risks of a company and any potential issues that may affect long-term shareholder value. Engagement activities are integral to the investment process and the Equity team is accountable for this.

Case study on environmental and climate change engagement

Company A is an energy and urban development company

Following Company A's announcement of a sustainability-linked transaction, Eastspring Investment Singapore's equity and fixed income teams jointly engaged the company via the AIGCC platform to better understand the sustainability ambition behind its transaction and how it translated into the company's access to climate-conscious investor capital and its wider climate change goals.

During the engagement, Eastspring evaluated the basis of the sustainability-linked transaction to see if ESG criteria were used in the selection of the buyer for the company's coal-powered plant. The company noted the selection process was thorough, adding that it had assessed potential buyers via an ESG lens and that the selected buyer demonstrated willingness to leverage on technological advancements to reduce carbon emissions from the coal-powered plant.

Eastspring received clarification that the sustainability-linked transaction was a structured sale to transit coal assets off the company's portfolio in accordance with the company's decarbonisation plan. To ensure a clear line of sight for the responsibility of carbon emissions from coal exposures, Eastspring queried if emissions from the sustainability-linked transaction will be reported after the deal. While emissions will be disclosed in the sustainability-linked instrument annual report, there is a lack of clarity from third party assurers if this would contribute to the company's Scope 3 emissions under the GHG accounting protocol methodology as part of financed emissions. This is because these guidelines remain unclear for non-financial institution companies. Without changes in the industry standard, emissions from this transaction will not be considered as company emissions and would not detract from their climate goals.

As part of its decarbonisation strategy, the company is also actively tapping into transition opportunities, besides selling down its exposure to coal assets. It is positioning itself as an upstream player that is planning to bring new technologies such as green hydrogen into Singapore. **With a clearer understanding of the sustainability-linked transaction, and the company's overall decarbonisation plan, Eastspring is better able to assess the company's ability to meet its climate change goals as well as the market's receptivity to the company's strategy.** Eastspring will continue to monitor and engage them as they make strides in their journey.

Capital allocation

Capital allocation refers to the allocation of our capital towards meeting environmental or social needs that are appropriate to the markets in which we operate, while also securing the required financial returns from such investment opportunities that meet the long-term needs of our customers and investors. It includes decarbonising our portfolios and our ESG investments.

We have invested in several new regional passive equity strategies (US, Europe, Asia excluding Japan and Emerging Markets) launched in 2022 that are managed by Eastspring which explicitly aim for a 30% reduction in WACI and a higher ESG score than their respective benchmarks. Eastspring has also launched sustainable equity Sicav funds as additional avenues to make ours and other investor's portfolios greener, starting with the Eastspring Japan Sustainable Value Equity fund for which Prudential Singapore has provided a seed investment of US$25 million (approximately S$32.8 million). We have increased our allocation to the Eastspring Asia Sustainable Bond Fund and the Investment Committee has approved the use of an ESG Strategic Asset Allocation (SAA) benchmark for our Developed Market Equities.

Following the launch of two ESG-friendly Investment Linked Policy (ILP) sub-funds in 2021, we continued to operate these funds in 2022. Both these funds, which use the MSCI All Country World Index as a benchmark, have seen great interest from customers and have generated positive performance since inception.

- The PRULink Global Climate Change Equity Fund, managed by GMO Investment Management Company (Ireland Limited), has assets under management of US$13.2 million as of 31 December 2022. This fund's investments aim to address environmental challenges presented by global climate change or improve the efficiency of resource consumption.
- The PRULink Global Impact ESG Equity Fund, managed by Wellington Management Company LLP, has assets under management of US$4.3 million as of 31 December 2022. Through this fund's investments, we seek to improve the quality of and access to basic life essentials, reduce inequality and mitigate the effects of climate change.

From 2022, we have provided ESG ratings for all applicable Investment Linked Plans (ILPs).

We continue to align ourselves with our Group's ESG targets and take active steps to identify relevant assets that promote ESG factors within our investment portfolios including Green, Social & Sustainability Bonds, exposure to Properties with Green Building Certifications, and Green Infrastructure projects. More allocation to ESG Promoted, where funds are managed against one or more ESG KPIs, and SDG Promoted funds, where funds and underlying investments contribute positively to the SDGs, would be considered over time.

Investing in healthcare impact

A new global private equity fund, managed by Eastspring, was launched in October 2022 with US$1 billion capital from Prudential Singapore. This fund makes commitments to private equity funds and co-investments, with part of its strategic allocation being directed towards impact investments.

In February 2023, Eastspring completed a commitment to an impact-focused fund, ARCHIMED MED Platform II, which makes mid-market investments in healthcare companies in Europe and North America. ARCHIMED has fully integrated impact and ESG into its investment process and strategy, with regular reviews of progress achieved against impact objectives at each of its underlying companies. ARCHIMED's fund is classified as Sustainable Finance Disclosure Regulation (SFDR) Article 9 and the manager has set up a charitable foundation that receives 5% of its performance fees.

The Group expects to make further impact-focused investments going forward as part of its fund's strategy.

Market influence

We also recognise the power of our voice within broader alliances. Our Group actively contributes to sustainable initiatives such as the Principles of Responsible Investment and NZAOA. Our Group also supports global standards of corporate governance investor stewardship and is a member of the International Corporate Governance Network (ICGN). Hence, we align our stewardship approach with the ICGN Global Stewardship Principles and ICGN Global Governance Principles.

In Singapore, we have been a signatory to the Singapore Stewardship Principles (SSP) for Responsible Investors since 2018. In 2022, we participated in the Stewardship Asia Roundtable 2022 on 31 March 2022 as part of the launch of the new edition of the SSP for Responsible Investors in which we provided feedback. It was a platform that brought together the region's influential thinkers and leaders for a dynamic exchange of ideas on implementing sound stewardship and governance in their organisations. Dennis Tan, CEO of Prudential Singapore, was on the panel of the roundtable, where the panellists discussed the topic, 'Debate on Singapore Stewardship Principles (SSP) for Responsible Investors 2.0: Mandatory or Voluntary? Finding the Balance for Effective Investment Stewardship'. We also participated in the Stewardship Commons on 7 June 2022 where Geoffrey Hill, Lead, Strategic Asset Allocation/Asset-Liability Management, was in a panel discussion on the topic, 'Unlocking Values for 'Greener' Growth'.

Our RI governance structure has remained consistent in 2022. The Responsible Investment Working Group (RIWG), chaired by our Head of Investment, continued to meet at least once every quarter. The RIWG is responsible for implementing our RI strategy and tracking the progress against our RI targets. The monitoring of progress is also conducted during monthly meetings with Eastspring. The Investment Committee, Risk Committee and ESG Committee are kept updated on the progress and received recommendations on our overall implementation. The outcomes of these may be reflected in investment performance and portfolio decarbonisation metrics which are tracked regularly over time.

Our progress towards meeting our RI targets have been covered in the *Stewarding the human impacts of climate change* section.

In addition, we also track our responsible investment activities in the following areas:

- Asset allocation with the use of ESG SAA benchmarks;
- Portfolio management where RI guidelines are placed into investment management agreements;
- Risk management where we have in place an Environmental Risk Management Policy in accordance with the MAS requirements; and
- Manager selection where we include ESG considerations and capabilities as standard factors in the selection of managers' assessments.

Geoffrey Hill, Lead of Strategic Asset Allocation/Asset-Liability Management, at the Stewardship Commons event

Strategic Enabler: Good governance and responsible business practices

"ESG principles such as ethical and corporate governance standards directly impact the conduct of all management activities. In this regard, I have thoroughly enjoyed my role in always striving to improve and uphold these standards in the company."

Jay Thiyagarajan
Head of Legal and
Deputy Head of Compliance

Corporate governance

Strong governance processes form a vital part of our business and are critical to building and maintaining trust with our stakeholders. The standards of behaviour articulated in our governance framework are embedded in our daily business practices, from how we deal with customers and suppliers to how we safeguard our customers from financial crime. **Our corporate governance policies ensure that our stakeholders' interests are considered during decision-making and enable us to achieve long-term business viability.**

Prudential has implemented corporate governance policies at various levels of the organisation. At the Group level, our Group Code of Business Conduct highlights the key areas that govern our conduct at work, namely financial crime, conflicts of interest, information and dealing, communication and people. Together with the customer conduct standards set out in the Customer Conduct Risk Policy, these form a consolidated view of the Group Governance Manual which applies to all employees.

There are multiple governance policies and frameworks in place to support our Board of Directors in performing their duties effectively. These include the Group Remuneration Policy that ensures effective approaches are in place to reward our employees in an appropriate way which aligns incentives to business objectives, and is consistent with the organisation's code of conduct, the organisation's risk framework and appetite. Please refer to the 2022 Annual Report for more details on Board-level corporate governance.

Good governance processes must address the identification and mitigation of business risks. Our risk management Framework and related risk policies, such as the Operational Risk Policy, have led to reduced risk and incidence of fraudulent activities. These policies are reviewed annually by the Risk Committee to ensure that we are equipped with the necessary capabilities and controls to manage ever-changing risks. We also have clear escalation criteria and processes for timely reporting of risks and incidents to our Risk Management and Compliance functions. These help to inform when there are gaps to be addressed in our risk management systems. To further ascertain the effectiveness of these actions, we engage Group-wide Internal Audit (GwIA) Asia to independently perform risk and internal control assessments, and to provide recommendations for areas of improvement.

In Singapore, we hold mandatory refresher training and monthly new joiner training related to the Group Code of Business Conduct. These cover multiple topics including conflicts of interest and fraud awareness. To reinforce our stance on the importance of good business conduct and our core values, the mandatory refresher training is conducted twice a year for all employees.

In 2022, we continued to work together with our stakeholders to keep abreast of regulatory changes and to ensure we uphold responsible business practices. Non-compliance with laws and regulations is at odds with our stance to act with integrity in everything we do. Being non-compliant also puts us at greater risk for potential lawsuits, financial liabilities and reputational damage.

Our internal Policy on Incident and Compliance Breach Reporting and Management Process acts as a guideline on the requirements for reporting of internal incidents and delineates how regulatory breaches are monitored and identified. This helps us to address these types of incidents appropriately and efficiently. Our effective risk policies and control systems, along with our emphasis on sound corporate governance practices, have led to zero significant instances of non-compliance with laws and regulations through the actions of Prudential Singapore during the current reporting period.

100% completion rate by all employees and financial consultants who are enrolled in mandatory ABC training annually.

Anti-bribery and corruption

We are committed to conducting business in a fair and responsible manner and take a zero-tolerance approach to bribery and corruption. Having responsible business practices safeguards us against fraud and corruption, protects shareholders' interests and maximises the long-term value of our business. Bribery and corruption impede business growth, escalate costs and pose serious legal and reputational risks. They also undermine fair competition and distort development priorities. Hence, having robust anti-corruption measures and practices is critical to protecting our business reputation and ensuring organisational resilience.

We have set out policies to detect, report and prevent bribery and corruption based on the Group Anti-Bribery and Corruption (ABC) Policy and standards. These form part of our Group Governance Framework, and we also abide by all laws relevant to countering bribery and corruption. This has been communicated to all our employees and business partners.

We continue to take preventive steps against bribery and corruption by conducting an annual enterprise-wide ABC Risk Assessment which is reviewed and approved by the Board of Directors. We also continue to report ABC metrics to the local Risk and Audit Committees on a quarterly basis.

All employees and financial consultants are enrolled in a mandatory ABC training annually with 100% completion rates. This training ensures that they understand their responsibility to prevent, and report, any instances of bribery or corruption. Employees who are deemed to be in higher-risk functions, such as those who authorise payments, are in claims adjudication or in decision-making roles, are also required to attend an annual advanced ABC training.

In 2021, we implemented enhanced controls within our procurement system which automatically reject expense claims that lack proper supporting documentation or the required managerial approvals. Due to these improved procedures, we saw a reduction in the incidence of non-compliant declaration submissions in 2021 and 2022.

There were no incidents of corruption reported in 2022. During the annual enterprise-wide ABC risk assessment, no significant risks related to corruption were identified. We aim to maintain zero incidents of corruption and will continue to educate and support our employees to prevent its occurrence.

Ethics and responsible business practices

The ethical culture at Prudential continues to support our sustainable business conduct and reinforce the trust of our stakeholders. Through ethics, we communicate the standards of conduct that are expected of our employees and managers in their day-to-day roles while also demonstrating to our external stakeholders how we proactively mitigate the risk of misconduct. When these expectations are clearly communicated, employees are less likely to compromise on standards, which maintains our high quality of service and reinforces our good standing with our customers and regulators.

Agency Leader recipients of the inaugural Prudential Ethics and Conduct Award

Our Code of Ethics, based on the Group Code of Business Conduct and our company values, provides overarching guidance while identifying our stakeholder groups and the ethical responsibilities borne by our employees, managers and Board when dealing with them. We also expect our business partners to have high ethical standards, and our Supplier Code of Conduct spells out these expectations.

In early 2023, we further amended our Code of Ethics to provide greater clarity of expectations using scenarios and highlighting the potential impacts of positive and negative conduct on different stakeholder groups. The Ethics Committee (EC), chaired by the CEO, continues to track and evaluate the initiatives and programmes that support our ethical culture, and reviews all related policies and guidance documents including the Code of Ethics.

In 2022, we continued our annual company-wide ethics training which examines the importance of ethics to our business and where supporting resources can be found. We have built upon our efforts to expand ethics engagements to our agency distribution which started in 2021 through post-induction training for new financial consultants. In 2022, we began to engage directly with agency groups to provide in-person ethics briefings. The EC and Chief Distribution Officer were consulted regarding these training initiatives and provided valuable feedback on the implementation.

As a company that emphasises high standards of conduct, we established the first Prudential Award for Ethics and Conduct, which recognises agency leaders and financial consultants who go above and beyond to raise compliance and conduct standards. We believe that driving a positive ethical culture must include incentivising the right behaviours. Nominees for the award had a minimum of three years of service, no adverse records or market conduct sanctions in the preceding two years and an A grade or above on their Balanced Scorecard (BSC) which evaluates their adherence to regulatory standards and auditing. These nominees were interviewed by the EC regarding their values and practices, and a final group of six agency leaders and six financial consultants were selected. Due to the positive feedback received internally and from our regulator, this award will continue in 2023 and beyond.

The Prudential Ethics team works in collaboration with several other departments including HR, Customer and Distribution Learning and Development, to encourage the integration of ethics into daily business activities and planning. These teams have developed integrated sessions for onboarding employees and PRUFaculty learning events which explored the importance of ethics in our business relationships with different stakeholder groups. Our Ethics Advisors programme, comprising of volunteers from across the organisation, continued to provide guidance to employees who are experiencing an ethical dilemma or need assistance in filing a report of misconduct.

We encourage our employees and agency distributors to report incidences of observed misconduct through our available reporting channels which include both our local DORight reporting channel and the global Prudential Speak Out channel. These channels are communicated during annual ethics training sessions, monthly orientation and are also posted throughout our office spaces. **Our commitment to facilitating the reporting of misconduct is supported by our non-retaliation policy which takes a zero-tolerance approach to retaliatory behaviour and serves to create a streamlined and safe reporting environment.** Reports of misconduct received are routed to the appropriate department for investigation. The People Disciplinary Committee (PDC) will review the presented evidence and decide on the course of action. For cases involving our agency distributors, the Sales Force Disciplinary Committee (SFDC) presides over case reviews and appeals.

Since 2019, we have conducted an annual Ethical Culture Survey to measure the effectiveness of our initiatives. In 2022, we continued the trend of year-on-year improvement, with a record score of 87, a four-point increase over 2021 and exceeded the benchmark score of other companies of comparable size and revenue. Improvements were seen across all pillars of the survey, with increases of over five per cent regarding organisational justice as well as observing and reporting misconduct. In 2023, we plan to engage with individual divisions via outreach sessions to discuss issues that were raised by their employees and provide targeted solutions.

Prudential Singapore Ethical Culture Survey Results

Overall Survey Performance

87.4
2022 Prudential Culture Quotient

83.2
2022 Benchmark Culture Quotient

83.6
2021 Prudential Culture Quotient

Performance by Cultural Pillar

Responsible procurement practices

As a company that relies on external third parties to provide goods and services, we recognise the importance of how our selection of suppliers can impact our business performance and reputation with our broader stakeholders. We avoid dealing with companies who engage in unsustainable environmental practices or exploitative/unsafe labour conditions at all costs. Failure to exercise due diligence during the selection process could inadvertently lead to our financial support of companies who operate irresponsibly and could lead to negative impacts on the environment, economy and people.

Our Group Third Party Supply and Outsourcing (GTPSO) policy is a core part of our governance system which specifies our position on supply chain management, setting out our approach on due diligence, selection criteria, contractual requirements and ongoing monitoring of our suppliers' relationships. The Responsible Supplier Guidelines that sit within this policy explain the supplementary factors that we consider regarding the ESG practices of a supplier.

In January 2022, our Sustainable Procurement Policy and Guidelines were replaced by the GTPSO policy. Our approach to promoting and maintaining a sustainable and ethical supply chain is a key component within these governance documents. In order to determine vendor compliance with our policies, we conduct due diligence checks during the onboarding or renewal process where vendors are required to complete a questionnaire that analyses their sustainability policies.

Responsible supplier guidelines

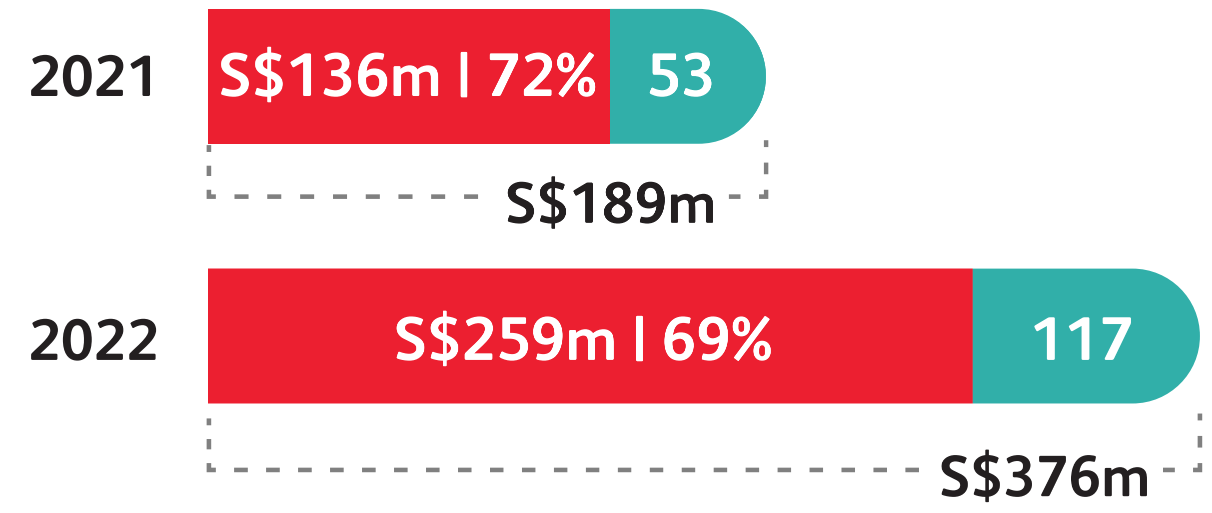
- ESG transparency and disclosure of regulatory non-compliance;
- Environmental protection, including carbon emissions, resource efficiency and waste management;
- Labour practices, anti-slavery, fair pay and health and safety; and
- ESG governance and measures to ensure adequate management.

To support new and existing suppliers with this new requirement, our Procurement team provides hands-on assistance to guide them through the enhanced due diligence questionnaire and supporting documents. The responses to the questionnaire provide insight into the priorities of the company and assist us in determining their suitability. To date, we have not received any responses that led to the exclusion of a potential supplier. We continue to collect these responses for future review to gain insights on our supplier base.

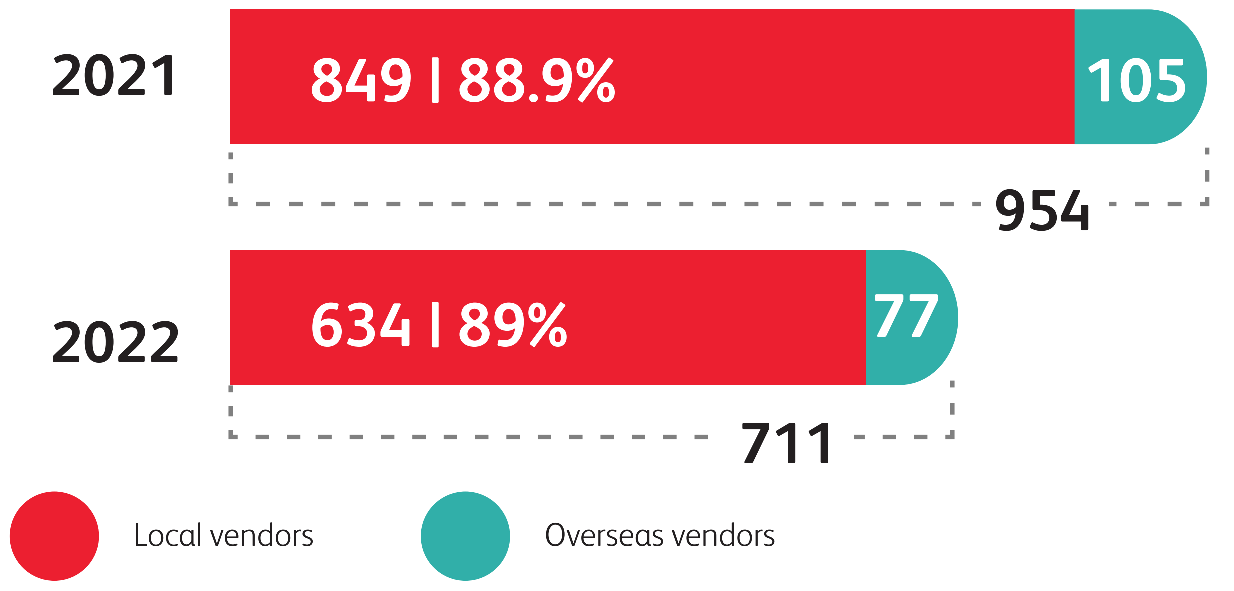
In 2022, Prudential had 711 suppliers in our supplier base covering the provision of goods, services, activities and processes across several categories, including IT infrastructure, advertising and marketing, communications services, contingent workforce and travel and events hosting. Combined spending on all third-party supply and outsourcing amounted to S$376 million. The increase in spending compared to 2021 is partially due to a greater spend on in-person events and engagements.

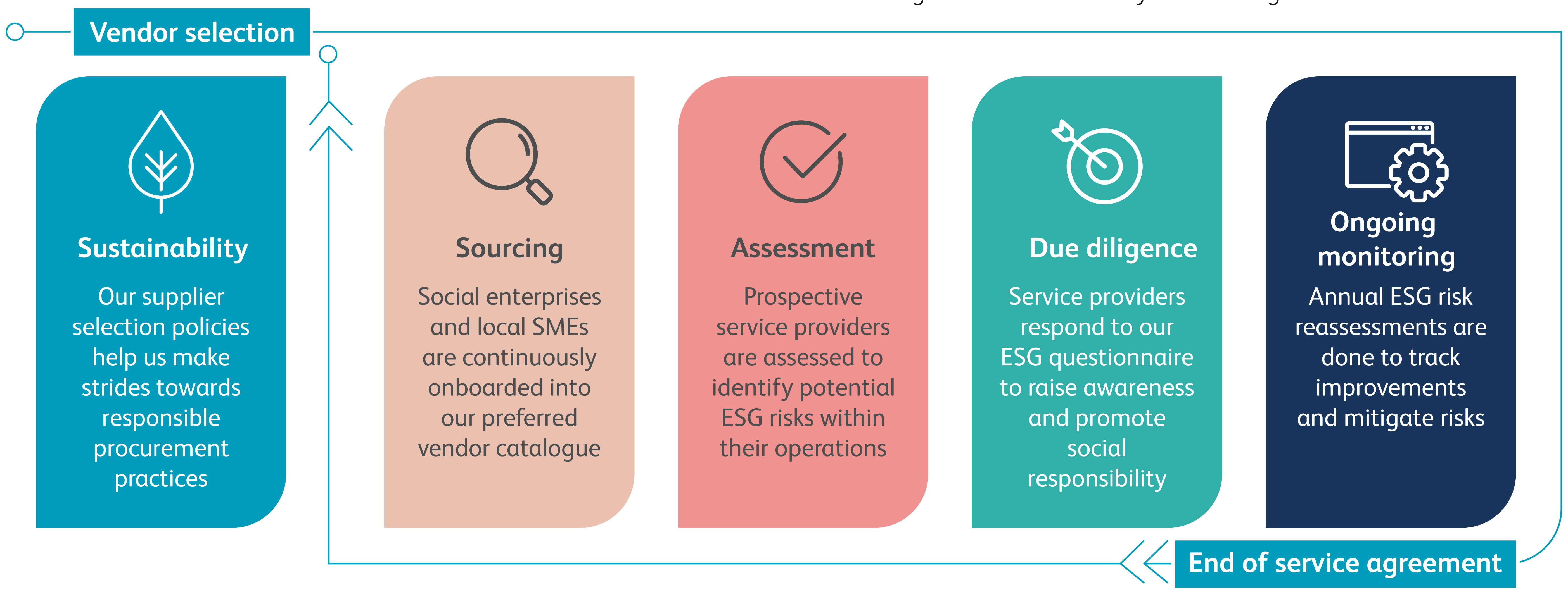
We continued to prioritise the use of local suppliers to further stimulate the local economy in a post-pandemic era. In 2022, 89% of our total supplier base consisted of companies located in Singapore, accounting for 69% of our total procurement spending. Over S$259 million was spent locally, which is nearly S$154 million more than 2021. We continue to operate our procurement and vendor payment systems in a paperless manner. By administering our order and invoicing documents electronically, we eliminate resource consumption related to printing and mailing. In 2022 alone, we processed over 5,400 purchase orders and more than 11,000 invoices using our paperless system, saving almost 332,000 litres of water and 700 litres of oil while reducing carbon emissions by over 850 kg.

Total spend on local vs. overseas vendors



Number of local vs. overseas vendors





Customer Fair Dealing

Customer centricity remains a vital component of our business practices. Fair Dealing, characterised by a commitment to transparency and honesty, is core to our corporate culture and incorporated in every aspect of our organisation to ensure that we meet customer needs and exceed their expectations. When we treat customers fairly, this is likely to have a positive impact on customer satisfaction and retention, leading to sustained business performance over the long term. Fair Dealing can also assist us in ensuring that our products and services are suitable for the intended customer. When we ensure that our representatives are competent in providing quality advice and recommendations, we are also likely to see an improvement in customer awareness and confidence. On the other hand, if Fair Dealing is not prioritised, we risk a loss of reputation and a decline in customer satisfaction and loyalty.

Our Customer Commitments Policy guides us in satisfying our customers' needs and covers five main areas:

1. Treat customers fairly, openly and honestly;
2. Provide and promote a range of products and services that meet customer needs, are clearly explained and deliver real value;
3. Maintain the confidentiality of our customer information;
4. Provide and promote high standards of customer service; and
5. Act fairly to address customer complaints and any errors.

Our Fair Dealing Charter, developed around the five core principles and outcomes of the MAS Guidelines on Fair Dealing, contains 12 promises:

Fair Dealing Charter

Core principles	Promises
Corporate culture: Making Fair Dealing a central principle in our company culture and how we serve our customers	1. **We promise** to ensure that all employees and financial consultants understand the importance of treating customers fairly and their role in delivering our fair dealing customer promises. 2. **We promise** to ensure that our stakeholders and customers are aware of our commitment to treating customers fairly.
Customer segments: Offering products and services that are appropriate for our customers' needs, and distribute them responsibly	3. **We promise** to ensure that every product is designed appropriately for the needs of the intended customer segment.
Competent representatives: Providing our customers with quality advice and suitable recommendations	4. **We promise** to provide our financial consultants with regular in-depth training, so they are equipped to provide quality advice and appropriate recommendations. 5. **We promise** to ensure that our financial consultants will employ fact finding and needs analysis so that customers are offered products that are appropriate for their circumstances and risk appetite. 6. **We promise** that our remuneration structure ensures that financial consultants provide quality advice and appropriate product recommendations.
Clear, relevantly and timely information: Being clear and timely in all our interactions with and communications to them, so that they can make informed financial decisions	7. **We promise** that our communications will be clear, simple and easy-to-understand. 8. **We promise** that our product information will be available to customers in English and Chinese. 9. **We promise** to provide customers with relevant and timely information about their policies.
Complaint handling: Responding to customers' complaints in an independent, effective and prompt manner	10. **We promise** to ensure that our staff are equipped to address customer complaints in a timely, effective and independent manner. 11. **We promise** to promptly acknowledge customer complaints and keep customers informed via regular updates. 12. **We promise** to fairly assess complaints, ensure we have the right policies and processes in place to address them and provide customers with the option to seek an alternative independent review.

At Prudential, we have initiatives in place to address each of the five core principles.

- Regarding **corporate culture**, one of our anchor initiatives is the annual Fair Dealing awareness campaign, which has been implemented since the introduction of Fair Dealing. This includes Prudential Fair Play, an interactive learning experience hosted by the Customer team to further engage with employees and agency distributors by exploring the Fair Dealing principles from our customers' perspective. Additionally, a mandatory training module is included in the onboarding process for new hires, and annual refresher training is completed by all eligible employees and financial consultants.
- To better address **customer segments**, we refreshed our market research on the high net worth individuals, first jobbers and pre-retiree segments to ensure we understand how their needs have evolved over time. With these insights, we enhanced existing products to improve relevance to our customer's needs and introduced new products such as PRUVantage Wealth to support them with legacy planning.
- To strengthen our staff of **competent representatives**, Prudential continues to support our financial consultants in achieving accreditation from the Institute of Banking and Finance (IBF). We have also identified a group of Private Wealth Consultants who undergo specialised training to serve the needs of our high net worth customers.
- To deliver **clear, relevant, and timely information,** we continued to invest in simplifying our communications in the areas of claims and policy servicing. We also trained our customer-facing teams in PRUSpeak, a customer communications framework we developed to enable frontliners to communicate more effectively with our customers.
- We have a robust **complaint handling** framework and in 2022, we saw a 25% reduction in complaints from 2021.

The Fair Dealing Committee, led by our Head of Customer Experience, is responsible for the overall implementation of our Fair Dealing outcomes. The committee, which reports to the Customer Steering Committee, is responsible for engagement efforts that support the prioritisation of Fair Dealing by our employees and agency distributors. It tracks all initiatives against the 12 promises of the Fair Dealing charter through a dashboard quarterly. This progress is reviewed annually by the Board to verify that appropriate efforts are in place to promote Fair Dealing outcomes in the organisation.

Customer satisfaction

Customer centricity is a major area of focus for us as a business and it is important that we continue to ensure customer satisfaction throughout the entire customer experience journey with Prudential. Customer satisfaction is vital given the competitive market landscape that we operate in, and it contributes to greater customer retention, higher lifetime value, and a stronger brand reputation.

One of the positive impacts of customer satisfaction on the economy is that it drives consumption expenditure. When customers are satisfied, they are more likely to continue with subsequent spending, therefore contributing to economic output[29]. Customers who are dissatisfied are likely to lose trust in organisations and create reputational damage for brands. For organisations, this could result in unnecessary allocation of time and resources to investigations.

At Prudential Singapore, we are guided by our Group Customer Commitments Policy and Fair Dealing principles, both of which help us drive customer satisfaction. When it comes to any customer dissatisfaction, we have a robust customer management infrastructure in place to handle any customer grievances with care and to the best of our ability.

At the core of our business is an always-on Voice-of-Customer Touchpoint Satisfaction Programme (PRUVoice) that keeps a pulse on the state of customer satisfaction with each of our customer interaction touchpoints. PRUVoice allows us to obtain feedback on the levels of our customer service, have a firmer grasp on our customers' needs and preferences and take relevant action. It has also helped us to pre-empt sources of negative interactions or triggers of frustration so that we can work towards resolving them before they result in any adverse business impact. When episodes of customer dissatisfaction arise, our professional team of Customer Service and Customer Management personnel are on hand to assist affected customers with their concerns.

Apart from PRUVoice, we continued to conduct an annual Customer Satisfaction Benchmark Survey to establish the overarching state of our health as an organisation, as well as where we stand against our competitors within the insurance industry and the financial services sector at large. These programmes have enabled us to effectively keep tabs on the state of customer satisfaction with our extensive suite of customer interaction touchpoints, while keeping abreast of industry developments and progress among our competitors, of which inputs will be critical to our continued success as a business.

PRUVoice has grown from strength-to-strength since it was set up in 2018. Aside from the annual assessment scope reviews, we continue to enhance its performance dashboards and ensure all new customer interaction touchpoints are integrated into the programme.

In 2022, PRUVoice was expanded to include the Video Servicing touchpoint, which was instituted to offer our customers another means of contacting us. We now measure the satisfaction of customers who interact with our Customer Centre staff remotely through video servicing. While we have received a lot of positive feedback from customers, we continue to seek their suggestions, which allows us to finetune our offerings to ensure our customers receive the best-in-class service.

The external survey on our Pulse app has been rescheduled to 2023 and we continue to make available to employees the Customer Experience Feedback Survey in 2022.

29 Customer satisfaction a strong predictor of consumer spending

In 2022, we continued to engage with internal stakeholders at the start of the year to evaluate the survey assessment scope for each PRUVoice touchpoint, and any changes to the scope will subsequently be implemented. For each customer interaction touchpoint, we conduct a monthly review with each touchpoint owner to track its performance. Where appropriate, corresponding action plans are developed, implemented and tracked on an ongoing basis. Any insights and findings from this process along with data points collected are shared with our Group and leadership team monthly.

One of the initiatives we are proud of was assisting our counterparts in Malaysia and Thailand to establish the PRUVoice programme in their respective markets. In 2022, Prudential Singapore was also involved in the implementation of the annual measure of customer propensity to recommend Prudential to others as part of our Group's rollout of the Bain Net Promoter Score (NPS) Prism Programme.

PRUVoice Customer Satisfaction Scores*

Agency Force – Measures the sales experience as accorded by the Financial Consultants: 99%

Bancassurance – Measures the sales experience as accorded by the Standard Chartered Bank Financial Services Consultants: 99%

Bancassurance – Measures the servicing experience as accorded by the Standard Chartered Bank Financial Services Consultants: 89%

Customer Service Centre: 97%

Contact Centre: 89%

Claims Submission Experience: 83%

Claims Decision Experience: 88%

Policy Services Usage Experience: 82%

PRUAccess Usage Experience: 69%

Video Chat Usage Experience: 99%

* Average satisfaction score per touchpoint for the period January to December 2022.

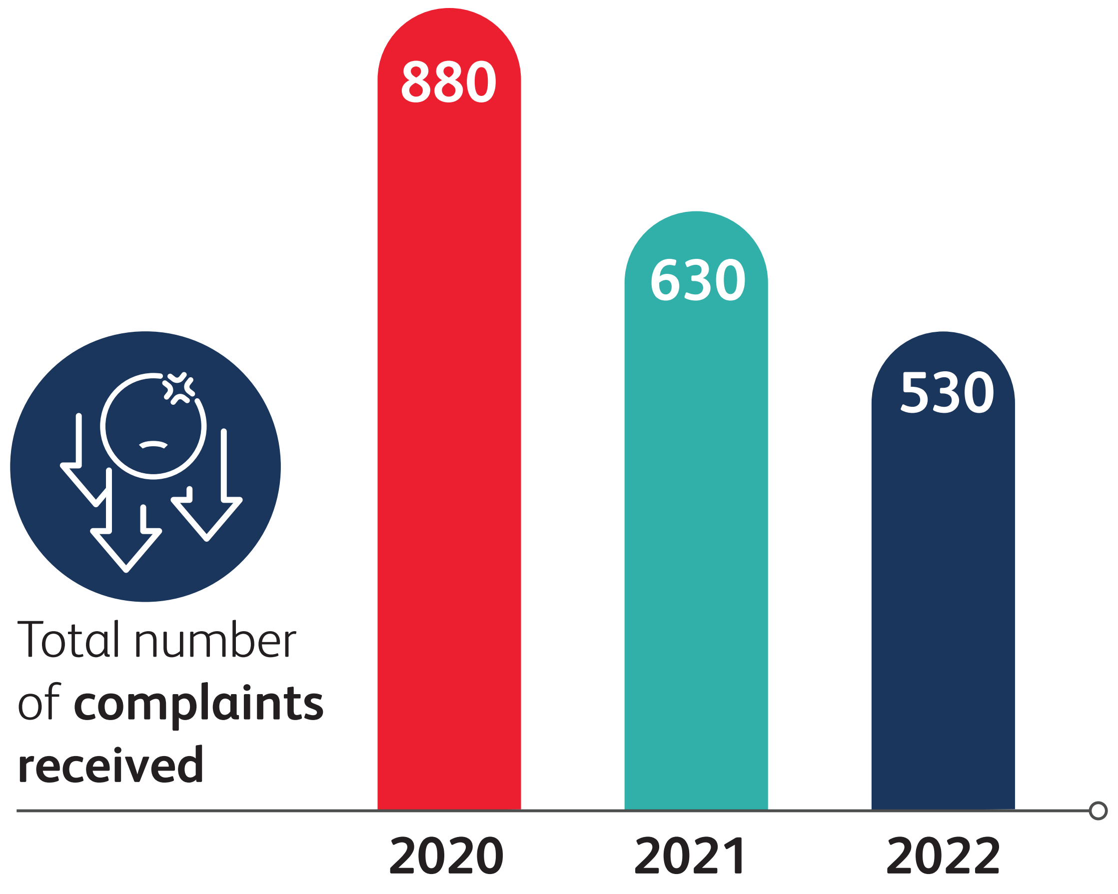
Bain NPS Prism Programme

Group instituted the rollout of the Bain NPS Prism Programme in 2022 as our annual performance measure, based on the measurement of Customers' Propensity to Recommend Prudential to others (NPS Score). This programme replaced the CSISG Benchmark Research, which we conducted in 2020 and 2021.

Customer complaints

In 2022, the MAS updated its Regulations for Complaints Handling and Resolution to lower the expected turnaround time (TAT) for resolving escalated complaints, excluding complex cases, from 30 days to 20 days. We managed to resolve 72% of escalated complaints within the new TAT, exceeding our target set in 2021 of at least 70%.

Compared to 2020, the total number of complaints received has seen significant reductions over a three-year period, dropping by 40% in 2022. One of the reasons for this improvement can be attributed to a cross-functional collaboration involving our Customer Management, Agency Distribution, Customer Experience and Risk and Compliance teams to solve common pain points with customers.



In 2022, we established a new framework for handling servicing complaints made against agency distributors to ensure a fairer outcome for both our customers and financial consultants. Regarding training, our Customer Management and Learning and Development (L&D) teams worked closely on topics for the Mandatory 2022 Technical Knowledge Assessment (TKA) to include common issues arising from complaints received. The quarterly sharing of complaints with L&D is an ongoing initiative. Relevant issues are covered in the Financial Consultant Induction Programme (FCIP) and other training programmes.

CUSTOMER COMPLIMENTS

I am writing to compliment the underwriters in Prudential Business Centre, for their hard work in the past year. The work of the underwriters is sensitive and complicated, yet I feel that our underwriters have professionally excelled in work. I would like to give special thanks to underwriter Sook Wan, with whom I have the honour to work closely with. Sook Wan is a very dedicated and responsible individual who takes pride in her work. Her level of support given to the agency force is exceptional, where she will go all out to help underwrite cases and provide detailed next steps to Agency Leaders on the required follow ups needed to get the cases incepted.

— Louis Ong, Senior Financial Services Manager

I was attended by Vivian Tay and she was the most lovely and patient customer service agent I've met over the years. She addressed my doubts with clear explanations, went the extra mile to make sure that I understood and helped me a lot. Had a great time there and waiting time was reasonable too.

— J Chen, Student

Strategic Enabler: Community engagement and investment

> "I love seeing the impact of volunteering on our people and how it brings our employees and financial consultants together as one Prudential."
>
> **Brindabella Neo**
> Community Investment Specialist

As economies recover from the Covid-19 pandemic, the current climate of geopolitical tensions, rapid inflation and increasing interest rates have resulted in a widening of the social gap, with Singapore's poorer and middle-class feeling the squeeze. Growing inequality has a negative impact on society, such as reduced purchasing power, educational opportunities and social mobility[30]. All these can limit economic growth.

At Prudential Singapore, we are committed to building an inclusive community to address our society's most pressing needs. Our community efforts are focused on providing aid to low-income households, children, and seniors in the areas of health and financial literacy. Some positive impact of community engagement and investment in the economy and society include more educational and job opportunities for vulnerable groups and their children. This can result in a more skilled and healthy society with higher purchasing power that will drive economic growth. Additionally, in view of longer life expectancies, our investment in promoting active ageing can contribute to a more inclusive society that prevents social isolation in the elderly and empowers them to live independent, active lives.

We are guided by our Group Community Investment (CI) policy and ESG strategy. Our Group CI strategy focuses on health, education, and community resilience. Regular reviews of our CI strategy are conducted by Prudence Foundation, the Group's community investment arm. We have a CI Steering Committee – comprising our Chief Executive Officer and representatives from Customer, Distribution, Human Resources, Compliance and Operations divisions – that provides advice and direction on the local strategy and reviews our programmes quarterly.

We **focus on two key areas** that are relevant to Singapore:

123
Education

Promoting financial literacy knowledge and skills to children through the Cha-Ching programme; and

Health

Promoting the importance of early childhood development through Healthy with KidSTART and supporting active ageing for seniors through our Seniors' Wellbeing Masterclass (SMW) programme.

In 2022, we continued to build close working relationships with government agencies and our community partners to understand the changing societal needs and to ensure the successful implementation of our CI programmes. This is aligned with the Singapore government's efforts to 'support lower-income groups, seniors and young families amid early signs that society is becoming more stratified[31]'.

Promoting financial literacy through Cha-Ching

Cha-Ching is a globally recognised financial literacy programme developed by Prudence Foundation to help children learn basic money management concepts. For more information on how we promote financial literacy, please see the *Making health and financial* security accessible section.

Promoting early childhood care and development with KidSTART

Cultivating healthy eating habits from young is important in ensuring that children receive the essential nutrients to support their growth and development. In 2022, we continued our partnership with KidSTART Singapore (KidSTART) on the Healthy with KidSTART programme. Through this programme, we seek to raise awareness on the importance of early childhood nutrition among low-income households. This is aligned with both KidSTART's mission of supporting early childhood development and Prudential's goal in bridging the health gap in our community.

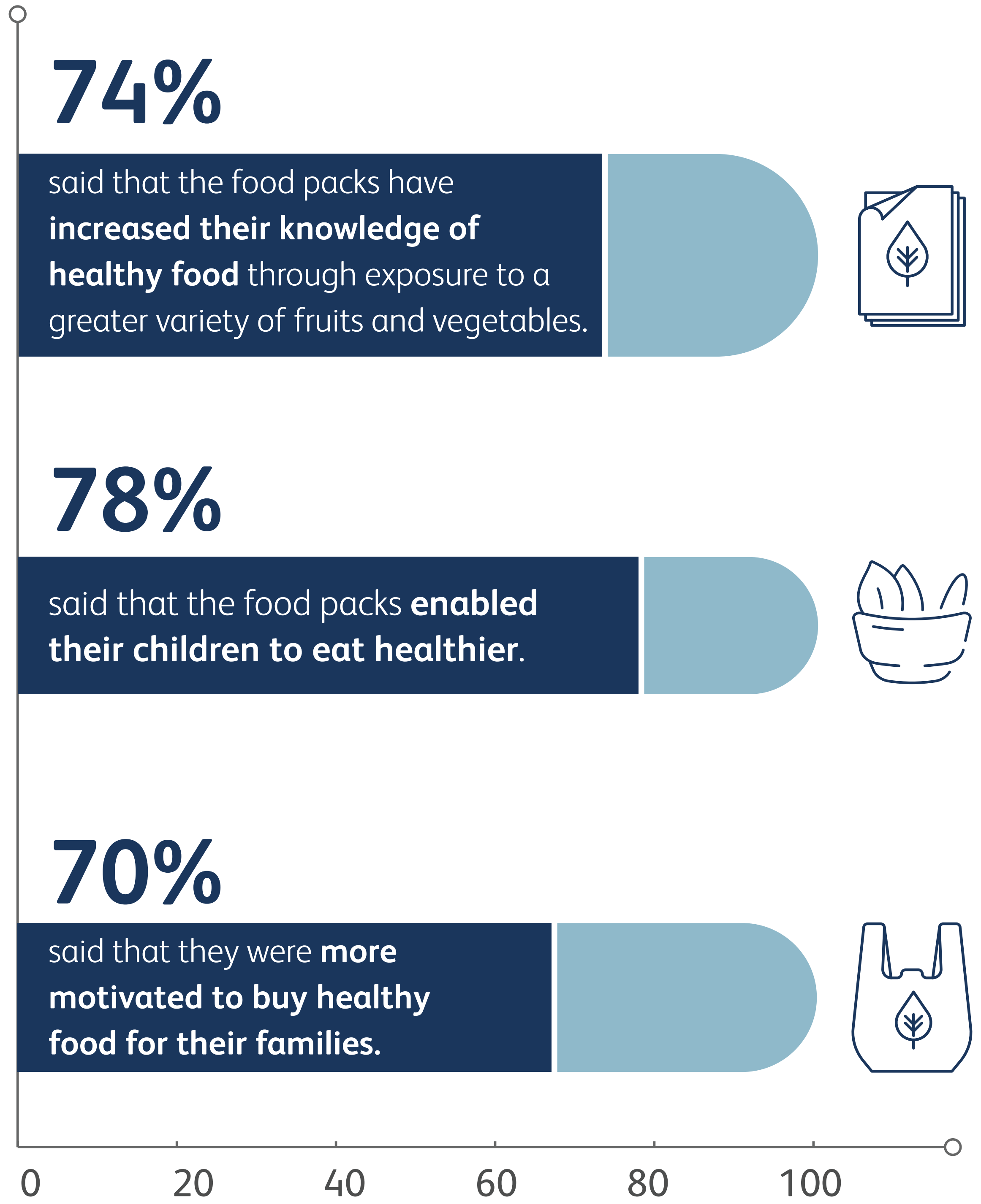
We support this programme through both volunteering and funding. Our employees and financial consultants have joined forces with KidSTART to pack and distribute fresh produce to all the families on the programme. We also funded the procurement and delivery of fresh produce packs for up to 1,100 families in 2022.

We have stepped up efforts to educate our beneficiaries on how to cook and eat more healthily following their feedback to include more engaging and relevant educational health content. In 2022, we transformed our nutrition workshops into an online webinar series. Titled, 'What's for Lunch?', the pilot three-part series featured Mazlan Boyamin, a professional chef and committee member of the Singapore Halal Culinary Federation, who showcased simple ways to prepare nutritious meals. The episodes were streamed live to a select group of close to 50 families, who had received the ingredients and cooking instructions in advance, which allowed them to cook along during the livestream. The episodes were later made available on demand for all KidSTART families and was also syndicated to the Ministry of Social and Family Development's 'Year of Celebrating SG Families' initiative, a movement that encourages people, public and private sectors to celebrate families and nurture a family-friendly ecosystem.

In 2022, we ran a pilot that involved the provision of My Healthy Plate to approximately 70 pre-school children from PCF Sparkletots. My Healthy Plate depicts the recommended proportions of major food groups in an ideal meal for young children and is currently provided to children on the Healthy with KidSTART programme. To date, 1,500 My Healthy Plates have been provided to KidSTART families. By extending them to pre-schools, we are leveraging the learning environment that educational institutions provide to instill healthy eating habits in the early childhood stage.

30 Singapore families dismayed over rising inequality as inflation barely dents luxury home sales
31 S'pore looking at more measures to address income inequality: DPM Wong

To measure the effectiveness of the Healthy with KidSTART programme, we have been working with Soristic, a research agency, since 2021 to determine the programme's impact. In the assessment, we studied a selected group of the beneficiaries who received monthly packs of fresh produce. **The beneficiaries had to complete a pre- and a post-programme survey after participating in the programme for at least a period of four months. The key findings from our survey with 129 respondents are as follows:**



Qualitative feedback received from the programme:

'The variety of fruits and vegetables are appreciated! There were even some which we haven't eaten before, so this gave a good opportunity to try. My family finished it all in less than a week.'

– Hirdayu, KidSTART family

In 2022, we set a target to reach a total of at least 5,000 families in the KidSTART programme by 2025, in line with KidSTART's strategy and expansion plans. To date, over 1,300 families have benefitted from the programme. From an impact perspective, our goal for 2022 to 2025 is to have at least 75% of the families reached to report having more motivation and encouragement to adopt healthier eating habits. Based on this, we are slightly below target at 70% but will endeavour to make improvements in the future.

Supporting an ageing population with Seniors' Wellbeing Masterclass

According to the Population in Brief 2022 publication[32] by the National Population and Talent Division, Singapore's population is ageing rapidly. The proportion of citizens aged 65 and above have risen by 7.3% in the past decade, and it is estimated that a quarter of the citizen population will enter the post-65 age group by 2030. Meanwhile, the proportion of people aged 20 to 64 is projected to be on a decline from 2022 to 2030.

With Singapore's ageing population in mind, we implemented the Seniors' Wellbeing Masterclass (SWM) programme which aims to empower seniors to learn new skills, gain knowledge and take charge of their wellbeing. The programme spans four to six weeks and is co-curated with our community partners. At its inception in 2021, the programme covered three main topics, namely Arts, Nutrition and Digital Literacy. We continued with the SWM programme in 2022, working with our current partners – the Ang Mo Kio Family Service Centre Community Services, Goodlife!, Lions Befrienders, and Tembusu Senior Activity Centre – as well as a new partner in Care Community Services Society Singapore, enabling us to reach more senior beneficiaries.

Prudential Singapore employees packing fruits and vegetables for distribution to families by Healthy with KidSTART

32 Population in Brief 2022

In addition to growing the programme's reach, we have also expanded its curriculum. In May 2022, we introduced a fourth pillar - Financial Literacy - to the existing pillars of Art, Nutrition and Technology. With reference to guidance from the Ministry of Health's Ageing Planning Office (MOH APO), this new pillar was added to make basic financial knowledge accessible to seniors in their golden years. The course curriculum was developed and is currently delivered by Tsao Foundation, a non-profit family foundation. It teaches seniors how to manage a personal budget and introduces them to concepts such as Lasting Power of Attorney, Advance Care Planning and Will Creation. More than 280 seniors have benefited from the SWM programme in 2022.

The impact assessment for the SWM focuses on the quality of life of our senior beneficiaries after undergoing the six-week programme.

The assessment results for 2022 are as follows:

- 90% of seniors reported they were satisfied with their quality of life;
- 95% of seniors reported adopting healthier eating habits; and
- At least 75% of seniors reported an increase in their knowledge of financial planning.

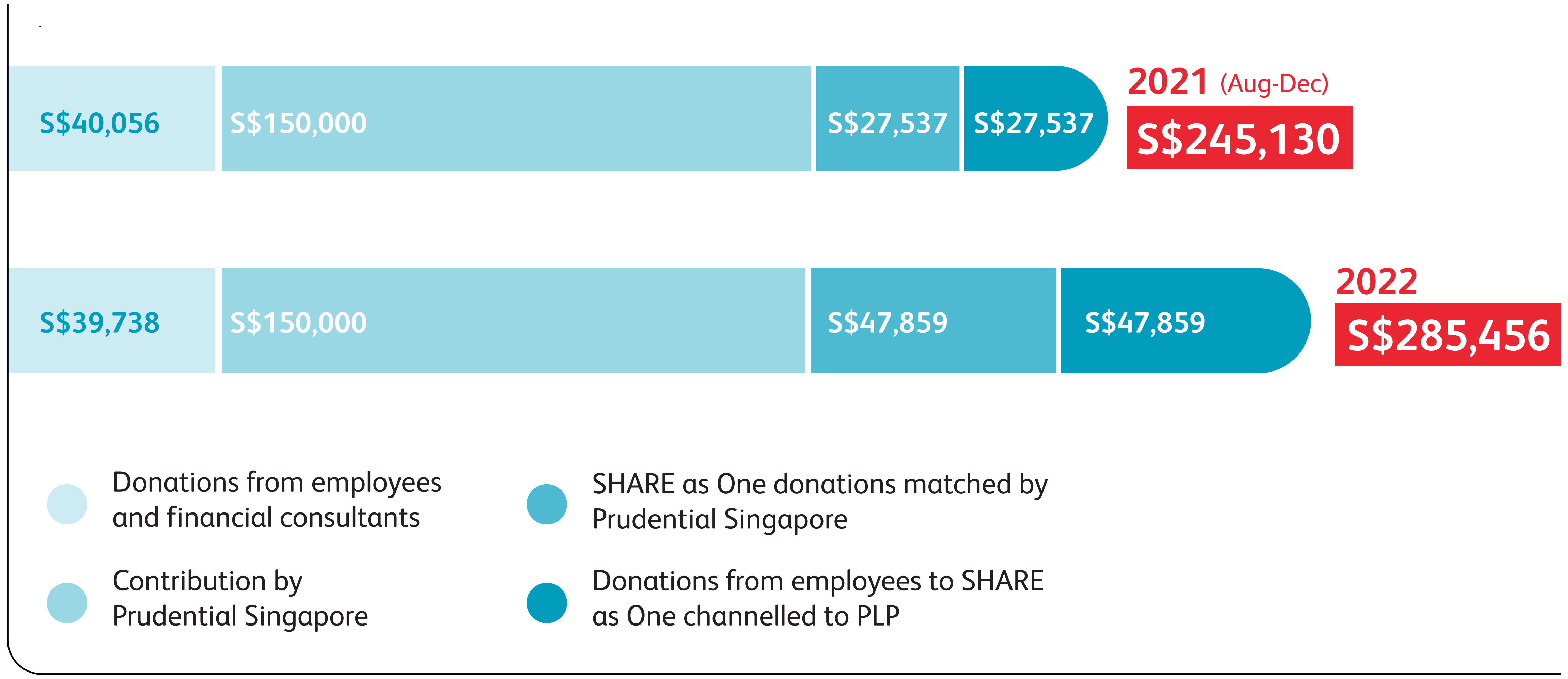
Our goal is for the programme to benefit 1,000 seniors by 2024 since its inception in 2021. To date, we have reached 420 seniors. We are currently working with our research partner to develop impact metrics for this programme which will be disclosed in our next report.

Prudential Longevity Pledge

The Prudential Longevity Pledge (PLP) is a fundraising programme set up for our employees and financial consultants to provide support for the vulnerable groups in the community. Established in partnership with Community Chest (ComChest) in 2021, the funds raised go towards enabling continued support for our Healthy with KidSTART and SWM programmes, thus creating a more long-term and meaningful impact in our beneficiaries' lives.

For the donations related to SHARE as One, the amounts raised in 2022 have increased. This is partly because our 2021 figures only covered a five-month duration from August to December.

The amounts raised for the Prudential Longevity Pledge are as follows:



Volunteerism

We believe in creating a culture of sustained volunteering efforts among our colleagues, financial consultants and customers. Employees at Prudential Singapore are granted five days of volunteer leave annually to instill a habit of giving back to the community and contribute to the UN SDGs. In doing so, our volunteers can cultivate a greater sense of purpose and belonging at work, and bond with one another by doing good.

	Volunteering hours	Number of beneficiaries who have **developed new skills** as a result of our support, or **experienced a direct impact** on their lives as a result of our programme
2020	5,300 hrs Volunteering hours	8,600 individuals and 780 families
2021	5,200 hrs Volunteering hours	6,600 individuals and ≈1,000 families from the KidSTART programme
2022	9,600 hrs Volunteering hours	7,300 individuals and 1,100 families from the KidSTART programme

ABOUT THIS REPORT

Our ESG Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards. As a signatory to the UN Global Compact (UNGC), this report serves as our annual Communication on Progress, and we also align our report to the United Nations Sustainable Development Goals (UN SDGs). Information based on recommendations of the TCFD is also covered in this report including climate governance, strategy, risks and opportunities, as well as targets and metrics.

To show our commitment to providing a transparent account of our ESG practices to our stakeholders, we have voluntarily published an ESG Report annually since 2019.

Reporting period

All disclosures in our ESG Report 2022 cover our operations in Singapore from 1 January 2022 to 31 December 2022. This is the same period covered in our financial report.
Waste and energy data beginning in 2022 covers the period from October 2021 to September 2022.

Entities included in the organisation's sustainability reporting

The sole entity included in our ESG Report 2022 is Prudential Singapore. It is also the only entity covered in our financial report for the same reporting period.

Restatement of information

There has been no restatement of information made in the current reporting period.

Board of Directors approval

This report has been reviewed and approved by Prudential Singapore's Board of Directors.

Contact point

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REFERENCE TABLES

GRI Content Index

Statement of use	Prudential Singapore has reported in accordance with the GRI Standards for the period of 1 January 2022 to 31 December 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A, Sector Standard for Insurance has not been released

GRI Standard	Disclosure	Section	Page reference
General Disclosures			
GRI 2: General Disclosures 2021			
2-1	**Organizational details**	About Prudential Singapore	8, 9
2-2	**Entities included in the organization's sustainability reporting**	About this Report	67
2-3	**Reporting period, frequency and contact point**	About this Report	67
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2-6	**Activities, value chain, and other business relationships**	About Prudential Singapore	8, 9
2-7	**Employees**	Building Social Capital: People responsibility	43
2-8	**Workers who are not employees**	Building Social Capital: People responsibility	43
2-9	**Governance structure** *Notes: Under-represented social groups and stakeholder representation are not applicable in the composition of our highest governance body.*	About Prudential Singapore: Corporate governance	18-19, 46, Annual Report
2-10	**Nomination and selection of the highest governance body**	About Prudential Singapore: Corporate governance	Annual Report
2-11	**Chair of the highest governance body**	About Prudential Singapore: Corporate governance	18
2-12	**Role of the highest governance body in overseeing the management of impacts**	Our Approach: ESG governance	18-19
2-13	**Delegation of responsibility for managing impacts**	Our Approach: ESG governance	18
2-14	**Role of the highest governance body in sustainability reporting**	Our Approach: ESG governance	18
2-15	**Conflicts of interest** *Notes: There are no cross-shareholdings with suppliers and other stakeholders. For existence of controlling shareholders, please refer to the Financial Statement in our Annual Report.*	About Prudential Singapore: Corporate governance	18, Annual Report
2-16	**Communication of critical concerns** *Notes: Critical concerns are communicated to the highest governance body. They are communicated via electronic mail, directors' online secured portal and regular tele-conversations with the CEO and members of the core leadership team, Appointed Actuary and relevant senior management staff. Total number and nature of critical concerns communicated to highest governance body are not disclosed due to confidentiality.*	About Prudential Singapore: Corporate governance	-
2-17	**Collective knowledge of the highest governance body**	Our Approach: ESG governance	18

GRI Standard	Disclosure	Section	Page reference
2-18	**Evaluation of the performance of the highest governance body**	Our Approach: ESG governance	18, Annual Report
2-19	**Remuneration policies**	Building Social Capital: People responsibility	49
2-20	**Process to determine remuneration**	Building Social Capital: People responsibility	49-50
2-21	**Annual total compensation ratio** *Notes: Omission due to confidentiality constraints.*	Building Social Capital: People responsibility	
2-22	**Statement on sustainable development strategy**	CEO's message	7
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2-24	**Embedding policy commitments**	Ethics and responsible business practices	58
2-25	**Processes to remediate negative impacts**	Ethics and responsible business practices	58
2-26	**Mechanisms for seeking advice and raising concerns**	Ethics and responsible business practices	58
2-27	**Compliance with laws and regulations** *Notes: There were no fines paid for instances of non-compliance during the reporting period.*	Corporate governance	57
2-28	**Membership associations**	Highlights	6
2-29, 3-1, 3-2	**Stakeholder engagement**	Our Approach: What shapes our approach	14-17
2-30	**Collective bargaining agreement** *Notes: Out of our total employees, only 1% is covered by collective bargaining agreements. For the rest of our employees, their terms of employment are not based on collective bargaining agreements.*	Building Social Capital: People responsibility	-

GRI Standard	Disclosure	Section	Page reference
Material Topics			
Making Health and Financial Security Accessible			
Digital health innovation			
GRI 3: Material Topics 2021			
3-3	**Management of material topics** *Notes: There are no known activities or business relationships that lead to Prudential causing, contributing or being directly linked to the stated negative impacts.*	Digital health innovation	22
Inclusive Offerings			
GRI 3: Material Topics 2021			
3-3	**Management of material topics** *Notes: There are no known activities or business relationships that lead to Prudential causing, contributing or being directly linked to the stated negative impacts.*	Inclusive offerings	23
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3-3	**Management of material topics** *Notes: There are no known activities or business relationships that lead to Prudential causing, contributing or being directly linked to the stated negative impacts.*	Promoting financial literacy	24-25
GRI 413: Local Communities 2016			
413-1	**Operations with local community engagement, impact assessments, and development programs**	Promoting financial literacy	24-25
Stewarding the Human Impacts of Climate Change			
GRI 3: Material Topics 2021			

GRI Standard	Disclosure	Section	Page reference
3-3	**Management of material topics**	Stewarding the human impacts of climate change	27-28
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GRI 3: Material Topics 2021			
3-3	**Management of material topics**	Responsible environmental practices	28-30
Building Social Capital			
Employment, Recruitment and Rewards			
GRI 3: Material Topics 2021			
3-3	**Management of material topics** *Notes: There are no known activities or business relationships that lead to Prudential causing, contributing or being directly linked to the stated negative impacts.*	Building Social Capital: People responsibility	43-45, 48-50
GRI 401: Employment 2016			
401-1	**New employee hires and employee turnover**	Building Social Capital: People responsibility	44
401-2	**Benefits provided to full-time employees that are not provided to temporary or part-time employees**	Building Social Capital: People responsibility	48-49
401-3	**Parental leave**	Building Social Capital: People responsibility	48-49
Training and Development			
GRI 3: Material Topics 2021			
3-3	**Management of material topics** *Notes: There are no known activities or business relationships that lead to Prudential causing, contributing or being directly linked to the stated negative impacts.*	Building Social Capital: People responsibility	47-48, 50

GRI Standard	Disclosure	Section	Page reference
GRI 404: Training and Education 2016			
404-1	**Average hours of training per year per employee**	Building Social Capital: People responsibility	47
404-2	**Programs for upgrading employee skills and transition assistance programs**	Building Social Capital: People responsibility	47, 50
404-3	**Percentage of employees receiving regular performance and career development reviews**	Building Social Capital: People responsibility	48
Diversity, Inclusion and Belonging			
GRI 3: Material Topics 2021			
3-3	**Management of material topics** *Notes: There are no known activities or business relationships that lead to Prudential causing, contributing or being directly linked to the stated negative impacts.*	Building Social Capital: People responsibility	46-47
GRI 405: Diversity and Equal Opportunity 2016			
405-1	**Diversity of governance bodies and employees**	Building Social Capital: People responsibility	46
405-2	**Ratio of basic salary and remuneration of women to men**	Building Social Capital: People responsibility	46
Data Privacy and Protection			
GRI 3: Material Topics 2021			
3-3	**Management of material topics** *Notes: There are no known activities or business relationships that lead to Prudential causing, contributing or being directly linked to the stated negative impacts.*	Building Social Capital: Digital responsibility	41-42
GRI 418: Customer Privacy 2016			
418-1	**Substantiated complaints concerning breaches of customer privacy and losses of customer data**	Building Social Capital: Digital responsibility	41

GRI Standard	Disclosure	Section	Page reference
Good Governance and Responsible Business Practices			
Corporate Governance			
GRI 3: Material Topics 2021			
3-3	**Management of material topics** *Notes: There are no known activities or business relationships that lead to Prudential causing, contributing or being directly linked to the stated negative impacts.*	Corporate governance	57
Responsible Procurement Practices			
GRI 3: Material Topics 2021			
3-3	**Management of material topics** *Notes: There are no known activities or business relationships that lead to Prudential causing, contributing or being directly linked to the stated negative impacts.*	Responsible procurement practices	59
GRI 204: Procurement Practices 2016			
204-1	**Proportion of spending on local suppliers**	Responsible procurement practices	59
Anti-Bribery and Anti-Corruption			
GRI 3: Material Topics 2021			
3-3	**Management of material topics** *Notes: There are no known activities or business relationships that lead to Prudential causing, contributing or being directly linked to the stated negative impacts.*	Anti-bribery and anti-corruption	57
GRI 205: Anti-corruption 2016			
205-1	**Operations assessed for risks related to corruption**	Anti-bribery and anti-corruption	57
205-2	**Communication and training about anti-corruption policies and procedures**	Anti-bribery and anti-corruption	57
205-3	**Confirmed incidents of corruption and actions taken**	Anti-bribery and anti-corruption	57

GRI Standard	Disclosure	Section	Page reference
Ethics and Responsible Business Practices			
GRI 3: Material Topics 2021			
3-3	**Management of material topics** *Notes: There are no known activities or business relationships that lead to Prudential causing, contributing or being directly linked to the stated negative impacts.*	Ethics and responsible business practices	57-58
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GRI 3: Material Topics 2021			
3-3	**Management of material topics** *Notes: There are no known activities or business relationships that lead to Prudential causing, contributing or being directly linked to the stated negative impacts.*	Fair Dealing	60-61
Customer Satisfaction			
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GRI 3: Material Topics 2021			
3-3	**Management of material topics**	Responsible investment	52-55
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GRI 3: Material Topics 2021			
3-3	**Management of material topics** *Notes: There are no known activities or business relationships that lead to Prudential causing, contributing or being directly linked to the stated negative impacts.*	Community engagement and investment	64-66
GRI 413: Local Communities 2016			
413-1	**Operations with local community engagement, impact assessments, and development programs**	Community engagement and investment	64-66

TCFD Content Index

TCFD recommendation	Prudential Singapore response	Page reference
Governance		
a. Describe the board's oversight of climate-related risks and opportunities		
How the Board and committees are informed about climate-related issues	Quarterly briefings and a dedicated Environmental Risk Management (EnRM) Information dashboard provide ongoing updates on climate-related issues.	31
How the Board and committees incorporate climate-related issues into decision-making	Board approved our EnRM Policy, which is used to guide all climate-related management within Prudential Singapore. Various committees are tasked with implementing climate-related actions including our decarbonisation strategy.	31
How the board monitors and oversees progress against climate-related goals and targets	A dedicated Environmental Risk Management Information dashboard provides updated tracking of goals, progress and external developments.	31
b. Describe management's role in assessing and managing climate-related risks and opportunities		
Climate-related responsibilities and accountability	Various departments share responsibility for climate-related targets and supporting initiatives, overseen by our committees and Board.	19, 31-32
Organisational structure	We have robust ESG Governance in place including governance processes that cover climate-related risks and opportunities.	31-32
How management is informed about climate-related issues	Climate-related capacity building is conducted for management and selected departments throughout the year.	32
How management monitors climate-related issues	Management utilises the Environmental Risk Management Information dashboard along with committee updates to monitor climate-related issues.	31

TCFD recommendation	Prudential Singapore response	Page reference
Strategy		
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term		
Definition of short-, medium-, and long-term time horizons	Short-term: 0 to 3 years, medium-term: 3 to 5 years, long-term: 5 to 30 years	33
Climate-related issues potentially arising in each time horizon	Risks and opportunities across time horizons are summarised in the Strategy section.	33-34
Processes used to determine which risks and opportunities could have a material financial impact on the organization	Scenario analysis and stress testing are conducted to determine potential risk impact. More information is available under part b. We have embarked on a research partnership to examine the intersection of climate change and health.	35-36
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning		
How identified climate-related issues have affected our business, strategy, and financial planning	Climate-related issues provided inputs regarding our approach to asset allocation, decarbonisation and exclusions.	35-36
How climate-related issues serve as an input to our financial planning process	The importance of transitioning to a low-carbon economy has been integrated into our investment policies and investment management agreements with our asset managers.	35-36
The impact of climate-related issues on financial performance	Both physical and transition risks will manifest across different time horizons and severity varies under different scenarios. Please see scenario analysis details for more information.	35-36
Our plans for transitioning to a low-carbon economy	Refer to the Group ESG Report 2022 for our transition plans.	
How potential impacts influence client or broker selection	Clients are screened using the same methodology as our approach to responsible investment.	53

TCFD recommendation	Prudential Singapore response	Page reference
Whether specific climate-related products or competencies are under development	We continue to invest in capacity building for all roles related to EnRM and climate risk.	32
How climate-related risks and opportunities are factored into relevant investment strategies	The eventual transition to a low-carbon economy underlines the importance of our 2050 goal to become a net zero asset owner.	35-36
c. Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2˚C or lower scenario		
How our strategy is resilient to climate-related risks and opportunities	As a life and health insurer, our exposure to physical risks is reduced in comparison to general insurance activities. Our greatest exposure to climate risks lies in transition risks. Results from our stress testing exercises are generally favourable across all scenarios tested. See scenario analysis results for details.	35-36
How our strategy will be affected by climate-related risks and opportunities		35-36
How our strategy might change to address potential risks and opportunities		35-36
The potential impact of climate-related issues on financial performance and position		35-36
A description of the climate-related scenarios used		35
Time frames used for climate-related scenarios, including short-, medium- and long-term milestones.		33

TCFD recommendation	Prudential Singapore response	Page reference
Risk management		
a. Describe the organization's processes for identifying and assessing climate related risks		
Risk management processes for identifying and assessing climate-related risks	Scenario analysis is conducted at the Group and local levels to identify climate-related risks.	35-36
Existing and emerging regulatory requirements related to climate change	We adhere to the MAS Guidelines on Environmental Risk Management, which took effect in June 2022.	36
Processes for assessing the potential size and scope of identified climate-related risks	Our Environmental Risk Management policy describes the processes for assessing climate-related risks across each affected organisational segment.	36
Definitions of risk terminology used or references to existing risk classification frameworks used	See the scenario analysis section for more information on terminology.	35-36
Engagement activity with investee companies	See the Responsible Investment section for more information about investee engagement activities.	53-54
b. Describe the organization's processes for managing climate-related risks		
Managing climate-related risks	Actions taken to mitigate, transfer, accept, or control the risks are guided by the EnRM framework. Any deviations from the framework will be managed through the appropriate governance process.	36
Positioning of our total portfolio with respect to the transition to a low-carbon energy supply, production, and use	Decarbonisation and coal divestment targets have been undertaken to prepare the portfolio for the transition to a low-carbon economy.	36
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management		
Integrating climate-related risks into our overall risk management	Environmental risk is a cross-cutting risk that affects many functions within the organisation and is part of our overall risk management framework.	36

TCFD recommendation	Prudential Singapore response	Page reference
Metrics and targets		
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process		
Key metrics used to measure and manage climate-related risks and opportunities	We utilise an array of metrics to measure our climate impacts and determine the effectiveness of our policies. See tables for details on metric categories and reporting.	37
Metrics on climate-related risks associated with water, energy, and waste management		37
How performance metrics are incorporated into remuneration policies		37
Methodologies used to calculate or estimate climate-related metrics		37-38
Metrics used to assess climate-related risks and opportunities		39
Metrics considered in investment decisions and monitoring		39

TCFD recommendation	Prudential Singapore response	Page reference
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks		
Scope 1, Scope 2 and Scope 3 GHG emissions and related risks	We disclose Scope 1, Scope 2 and selected Scope 3 emissions for our local operations. Our WACI performance is reported at the Group level. See tables for details on metric categories and reporting.	37-38
WACI for our investment strategy, where data and methodologies allow		39
Other carbon footprinting metrics used in decision-making		37-38
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets		
Key climate-related targets	We aim to become a net zero asset owner by 2050. Several metrics have been identified to support this journey such as Climate Value at Risk and Implied Temperature Risk. See tables for details on metric categories and reporting.	38-39
Interim targets		38-39
Description of the methodologies used to calculate targets and measures		38-39

ASSURANCE STATEMENT

Independent Assurance Statement

To the management of Prudential Assurance Company Singapore.

Prudential Assurance Company Singapore ("Prudential Singapore") engaged CSRWorks International Pte Ltd ("CSRWorks") to provide independent assurance of its ESG Report 2022 ("the Report"). The Report covers Prudential Singapore's operations from 1 January 2022 to 31 December 2022. This statement presents our opinion as independent assurance providers.

Prudential Singapore's Responsibility

Prudential Singapore was responsible for preparing the Report and collecting, collating, analysing, and presenting all information and data provided in the Report. Prudential Singapore's responsibility included establishing and maintaining internal controls over systems and processes that generate data and information contained in the Report.

Our Responsibility

Our responsibility was to provide independent assurance of this Report according to the terms of reference agreed with Prudential Singapore. Our responsibility regarding this assurance engagement is only to the management of Prudential Singapore.

Assurance Criteria

The assurance engagement was undertaken in accordance with:

- The principles and requirements established in the AA1000 Assurance Standard v3 (AA1000AS v3).
- Global Reporting Initiative's GRI Standards 2021.

Assurance Type and Scope

CSRWorks provided Type 2 assurance in accordance with the AA1000AS v3. CSRWorks provided a Moderate level of assurance of the nature and extent of Prudential Singapore's adherence to the AA1000 AccountAbility Principles (2018), and the reliability and quality of the specified sustainability performance information contained in the Report. Evidence gathering was primarily from internal sources and was restricted to management levels. The scope of our assurance engagement, as agreed with Prudential Singapore, included the review and verification of sustainability policies, practices, initiatives, and performance presented in the Report, an assessment of underlying management and reporting processes in accordance with the GRI Standards and an evaluation of the Report's adherence to the GRI Standards and verification of standard disclosures indicated in the GRI Content Index in the Report.

Assurance Objectives

The assurance engagement's objectives were to:

- Review adherence to the AA1000 AP (2018) Principles of Materiality, Inclusivity, Responsiveness and Impact;
- Review adherence to the GRI Standards as stipulated in the GRI Standards 2021;
- Content verification corresponding to all General Disclosures and the Topic Standards included in the GRI Content Index in the Report;
- Review of sustainability policies, initiatives, practices and performance described in the Report;
- Verification of the reliability, accuracy and completeness of FY2022 qualitative and quantitative sustainability performance data presented in the Report;
- Review and assess the processes, methods and tools for gathering, analysing and reporting quantitative and qualitative sustainability information provided in the Report.

Methodology

This engagement was carried out in February 2023. CSRWorks adopted a comprehensive approach to carry out the assurance engagement by examining and seeking evidence for each GRI Standard Disclosure provided in the Report. We also assessed the robustness of the underlying data management processes, focusing on quality controls and data reliability in the Report. To obtain sufficient evidence for us to give a moderate level of assurance and to arrive at conclusions and recommendations, we undertook the following activities:

1. Conducting desk review of the Report draft to assess adherence to the GRI Standards 2021 and identify the GRI Standard Disclosures covered in the Report for verification.
2. Developing an engagement plan based on the desk review that included the GRI General Disclosures and material Topic Specific Standards in the Report for verification.
3. Conducting extensive interviews with over 40 executives, including Head of ESG, Lead of Strategic Asset Allocation/Asset and Liability Management, Acting Head of Operational Risk Management, Senior Legal Counsel, Head of Community Investment, Ethics Lead, Head of Enterprise Supply Chain, Head of Customer Resolution, Head of Protection and Group Products, Human Resources Technology Solutions Specialist and Head of Talent, Learning and Development.
4. The interviews focused on reviewing Prudential Singapore's policies, principles, strategies, governance, and approaches to managing material issues and Prudential Singapore's processes for gathering, compiling, analysing and monitoring performance data.
5. The engagement process, including interviews and the verification of performance data and underlying data management processes and practices, was conducted remotely through virtual platforms.
6. Testing of limited samples of data points, documents, records and information, including the following material areas from the GRI Content Index of the Report to collect and evaluate evidence to support the assurance engagement undertaken:
   - o **Economic topics:** Procurement Practices (204-1), Anti-Corruption (GRI 205-1, 205-2, 205-3)
   - o **Social topics:** Employment (GRI 401-1, 401-2, 401-3), Training and Education (GRI 404-1, 404-2, 404-3) Diversity and Equal Opportunity (GRI 405-1, 405-2), Privacy (GRI 418-1), Local Communities (GRI 413 -1)
   - o **Non-GRI topics:** Digital Health Innovation, Inclusive Offerings, Climate Change, Responsible Environmental Practices, Corporate Governance, Ethics and Responsible Business Practices, Fair Dealing, Customer Satisfaction, Responsible Investment

7. Reviewing random samples of source data for verifying Prudential Singapore's information management systems and processes, focusing on the reliability of data reported according to the requirements of AA1000AS v3 and the GRI Standards 2021. The assessment of data reliability included a review of completeness and accuracy and the methods, practices, and tools used in collecting, collating, analysing, and reporting data and information. The assessment also included a review of internal quality control, data traceability, and calculations testing.

Limitations

Our assurance engagement and scope of work did not include verification of:

- Financial data other than that related to environmental, social and economic performance.
- Task Force on Climate-related Financial Disclosures (TCFD).
- Information already verified by Prudential Singapore's Annual Report.
- The adequacy or effectiveness of Prudential Singapore's strategy or management of sustainability issues.
- Initiatives under planning and forward-looking statements.
- Content provided by Prudential Singapore other than in the Report such as information contained on its website and web links in the Report.
- Description of goals and targets; and
- Any historical data and information presented in the Report for the purpose of comparisons.

Competencies and Independence

CSRWorks has the required competencies, experience and skills to conduct assurance engagement. It is a leading provider of sustainability services focused on advisory, training and thought leadership. It has over 17 years of track record in sustainability reporting, integrated reporting, external assurance, ESG assessment and ratings, climate change disclosures and sustainable procurement. CSRWorks applies a strict independence policy and confirms its impartiality in delivering this assurance engagement. CSRWorks did not work with Prudential Singapore on any engagement in the reporting year that could compromise the independence or impartiality of our findings, conclusions and recommendations.

Adherence to AA1000 Principles

Inclusivity: Prudential Singapore has a sound understanding of its stakeholders and has implemented comprehensive engagement and communication channels to allow their expectations to be reflected in Prudential Singapore's sustainability strategies. For example, Prudential Singapore's ESG survey, Prudential Group's People Survey, Global Townhall and Voice-of-Customer Touchpoint Satisfaction Programme aim to gain timely insights from its key stakeholders for Prudential Singapore's decision-making process on its material topics.

Materiality: Prudential Singapore has a good understanding of its material issues and articulates them in Prudential Singapore's sustainability context. Identifying material sustainability topics has considered both Group-level and local-level priorities. Evidence suggests that a wide range of stakeholders have been engaged in determining Prudential Singapore's impacts on the economy, environment and people.

Responsiveness: Evidence suggests that sustainability strategies are established based on Prudential Singapore's regular analysis of material topics and stakeholders' concerns, making its overall approach responsive whilst being aligned with the Group's overarching strategy. Examples include the implementation of a digital health platform, inclusive offerings and promotion of financial literacy in response to Prudential Singapore's understanding of societal needs. The Report provides an account of its performance on the material issues of interest to the respective stakeholders.

Impact: Prudential Singapore has adopted mechanisms and approaches to monitor, measure, and be accountable for how its actions affect its broader ecosystems. These mechanisms include policies, risk assessment, and internal controls concerning a wide range of issues such as ethical behaviours, customers, environment, procurement, data protection and investment.

Recommendations for Improvement

We have submitted a confidential report to Prudential Singapore's management that contains recommendations for improvement in the future. These recommendations do not affect our conclusions on the Report as stated to the right.

Conclusion

In CSRWorks' opinion, based on the engagement carried out, Prudential Singapore's ESG Report 2022 provides a fair and reliable account of its material issues, sustainability strategies, management approach and performance. Based on our work, Prudential Singapore's Report has met the conditions for adherence to the AA1000 AP (2018) Principles and the GRI Standards 2021.

On behalf of the assurance team
24 February 2023 I Singapore

Rajesh Chhabara
Managing Director

CSRWorks International Pte Ltd is an independent sustainability services firm and a licensed provider of AA1000 Assurance service. CSRWorks has prepared this statement for Prudential Singapore in accordance with AA1000AS and CSRWorks' standard terms. No other warranty, express or implied, is given by CSRWorks as a result of the provision of this statement. This statement is provided for information purpose only, without the right to rely, and CSRWorks will not be liable for any reliance which may be placed on this statement by a third party.