

Helping build strong communities



'Our businesses provide social and economic benefits to communities around the world. Through our corporate responsibility activities and using our resources and the skill and energy of our employees, we provide benefits to customers, communities and the environment.'

Paul Manduca
Chairman

Performance highlights

£21.7m
total community investment

51,979 hours
volunteered by employees across the Prudential Group

£519,826
donated by employees through payroll giving across the Group

Prudential provides solutions that address the biggest financial dilemmas people face. Whether it's the need for income in old age, support for children's education or for protection in case the main household earner becomes ill, we offer solutions targeting each of these potentially life-changing events, based on our long-term approach to our customers and our business.

This purpose, and this long-term approach, is reinforced by our Group-wide corporate responsibility strategy. Through our corporate responsibility programmes around the world we help to build stronger and more sustainable communities, and in the process provide benefits to our customers, our colleagues and the environment.

Our corporate responsibility strategy

Our Group approach to corporate responsibility is underpinned by four global principles:

- Serving our customers;
- Valuing our people;
- Supporting local communities; and
- Protecting the environment.



We aim to provide fair and transparent products that meet our customers' needs

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We seek to make a positive contribution to our communities through long-term partnerships with charitable organisations that make a real difference

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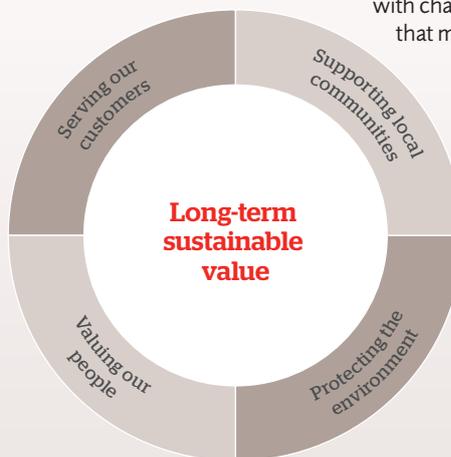
We aspire to retain and develop highly engaged employees

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We take responsibility for the environment in which we operate

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Our Group approach to corporate responsibility is underpinned by four global principles:

- Serving our customers: we aim to provide fair and transparent products that meet our customers' needs;
- Valuing our people: we aspire to retain and develop highly engaged employees;
- Supporting local communities: we seek to make a positive contribution to our communities through long-term partnerships with charitable organisations that make a real difference; and
- Protecting the environment: we take responsibility for the environment in which we operate.

These principles provide a framework within which our businesses shape their own individual corporate responsibility goals – our strong belief is that corporate responsibility is best managed and delivered by those closest to the customer and local stakeholders.

This review gives an overview of our activities and progress in 2015. More detailed information is available online at www.prudential.co.uk/corporate-responsibility

Serving our customers



Prudential has been meeting people's needs for more than 167 years and today we serve 24 million insurance customers across four continents.

We offer solutions for customers as they face the biggest financial challenges of their lives. Those issues vary in different parts of the world, and in each of our businesses we are focused on providing for a distinct set of customers' needs. Those are: the significant and growing demand for saving and protection of the middle class in Asia, the retirement income needs of baby boomers in the US, the financial requirements of the UK's ageing population, which needs both to save more and to access secure income in retirement, and the growing needs of customers in our new markets in Africa.

We want our customers to stay with us for the long term. This means we must proactively listen to them to understand and respond to their changing needs, and maintain their trust in us with fair, transparent products and service. We achieve this by not only delivering consistent performance from all our businesses, year in and year out, but also by ensuring that performance is sustained over the long term.

Asia

In Asia, we focus our efforts on helping our customers build better futures for themselves and their families, by helping to fill the savings and protection gap that exists in many countries in the region.

The extent of this gap is clear. In terms of protection, in Asia overall 42 per cent of healthcare spend is out-of-pocket, with this figure reaching 56 per cent in some markets, compared with 12 per cent in the US and 9 per cent in the UK.

While in Asia savings represent 44 per cent of GDP, compared with 18 per cent in the US and 13 per cent in the UK, 60 per cent of assets in Asia are held in cash, compared with 31 per cent in the US and 26 per cent in the UK. These figures illustrate the shortfall in both protection and savings opportunities in the region, and our products and services are designed to help make up that shortfall.

Before launching any initiative, we always listen to and understand our customers' needs. This allows us to propose financial solutions customised for different groups, whether that is young parents or middle-aged people providing for their extended family, for example. Prudential Corporation Asia introduced a number of tailored products and services to meet our customers' changing needs in 2015.

With cancer survival rates increasing in Hong Kong and the region, PRUhealth cancer multi-care was launched to address anxieties about the financial impacts of multiple cancer strikes. This plan serves customers with the right support exactly when they need it most.

Prudential Singapore's PRUCover Total Refund is designed to provide much-needed security and reassurance for customers during times of crisis. In the event of critical illness, customers can focus on improving their health while being assured that they have the financial support to see them through this stressful time. The affected customer will receive a lump sum payout as well as a waiver of future premiums, while also continuing to receive coverage for death and terminal illness. In the event of accidental death, family members of the policyholder will receive a payout of three times the sum assured. PRUCover Total Refund also rewards those who have remained in good health. If customers do not have claims on the Critical Illness Benefit, they will receive a refund on the total premiums paid at the end of the policy term.

Prudential Thailand introduced a new series of unit-linked plans that allow

customers to accumulate wealth through regular premium contributions. Varying unit allocation and life protection coverage is available depending on the customers' needs. This series allows customers who have protection needs to enjoy life protection coverage as high as 30 times the annual premium and still be able to benefit from the asset appreciation. To further strengthen the unit-linked platform, the fund choices have been expanded by offering foreign investment funds in order to better meet different customers' needs and risk appetite.

Meanwhile, Prudential Hong Kong's Customer Day puts customers' needs at the forefront. During the event, a facilitator asks customers about their experiences with Prudential, with customers sharing many insightful comments. Around 200 managers and senior management attended the inaugural Customer Day, interacting with customers to answer questions and gain further insight into what customers think and how they feel.

US

Prudential's US operation develops and distributes products that seek to address the retirement needs of its more than four million contract-holders and provide them with security through the ups and downs of financial market cycles. Jackson offers a diverse range of variable, fixed and fixed-index annuity products, designed with a variety of custom options to fit different financial goals.

Many Americans are approaching retirement with inadequate resources. Private defined-benefit pension plans are disappearing, government defined-benefit plans are underfunded, and social security, whose long-term status is in question, was never intended to be the primary retirement plan. At the same time, increasing life expectancy and the difficulty for individual investors in capturing market returns have added to the pressure on retirement resources. The low interest-rate environment presents extra challenges, hindering the growth of savings and the ability to generate income from savings.

Retirees need access to equity market growth, protection of their principal, a way of converting savings into retirement income and a degree of certainty. The variable annuities that Jackson offers can provide both guaranteed income and access to market growth. They are a way for investors to access guaranteed income for life, making them in effect a defined-benefit plan for the 21st century.

Jackson's Elite Access is a variable annuity that enhances traditional investing through diverse investment options, access to portfolios previously unavailable to retail investors, and tax advantages that help customers seek opportunities and manage risk throughout the economic cycle. Elite Access is a logical extension of Jackson's variable annuity investment freedom philosophy, which provides customers with a large set of investment options and the ability to tailor the portfolio to their investment risk appetite.

Jackson has launched a new tool to support Elite Access, the Elite Access 1:1 Video Presenter. This is an interactive and personalised multi-media experience created to enable Jackson wholesalers to engage key audiences and help advisers grow their business. The tool features adviser-facing and client-facing versions.

From the moment an adviser or investor engages with the video, they are met with a user experience that is focused entirely on them, which is what makes this tool unique. It is centred on meeting the needs of the audience and providing an experience that is led by the individual. The business is proactively strengthening relationships and creating a distinctive presence in the market.

Jackson has a long history of providing premier service to the producers and clients who interact with the Company every day. As part of the Company's ongoing commitment to exceeding best practices and delivering top-quality service, Jackson introduced the new Beyond World Class Service eLearning training module in 2015. The module poses everyday service scenarios to prepare and educate operations associates how to best answer producer and client service requests. The training has been designed to help employees better understand how and why the business measures the quality of performance through the eyes of external customers. It focuses on the impact of poorly-handled service issues and allows employees to practise identifying and reporting service experiences through real case studies.

The module presents an actor-driven, service-recovery scenario from the perspective of the producer, employee, customer service support and distribution teams. The two-part module showcases how service experiences impact Jackson's business through real-life re-enactment, showing the employee how the service call has gone wrong, followed by practice scenarios. Scenarios are pulled directly from trending reports to help associates identify the issue, select an appropriate resolution and flag the experience to complete the exercise. This will ensure employees are trained in how best to meet producer and client expectations and understand how to handle an experience if they are dissatisfied.

UK and Europe

The UK's pension and retirement income system underwent significant reform during 2015. Known as pension freedoms, the reforms give consumers greater flexibility to access their pension savings in retirement. Prudential reacted quickly when the reforms were announced in the March 2014 Budget, committing significant resources to ensure that our processes facilitated the new regime when it launched just over a year later in April 2015.

In the past year the business made two significant enhancements that have broadened access to products. The Flexible Retirement Plan was enhanced to include the introduction of a Flexible Drawdown option in advance of April's pension reforms. Further developments were introduced in September 2015, when a non-advised flexible drawdown plan, the Pension Choices Plan, was introduced for those clients who choose not to be advised. PruFund, the business's flagship multi-asset investment range, was made available through an ISA wrapper for the first time in February 2015.

As part of Prudential UK & Europe's commitment to placing the customer at the heart of everything they do, Prudential also began the rollout of the new MyPru online service, which allows UK customers to take greater control of their products online without having to make direct contact.

The drive to continually improve customer service quality has, once again, been reflected in Prudential UK & Europe's continued success in the Financial Adviser Service Awards, which are voted on by financial advisers. In 2015, Prudential secured the Company of the Year Award for the first time, while retaining its coveted Five Star ratings in the Life and Pensions and Investments categories for the fifth consecutive year.

Asset management

M&G, Prudential's UK and European asset management business, is a long-term, active investor that takes seriously its responsibilities as a steward of clients' assets, often working closely with the management of the companies in which we invest. M&G's investment teams incorporate environmental, social and governance (ESG) factors into investment analysis and decision-making processes, wherever they have a meaningful impact on risk or return. Active voting is an integral part of the investment approach, both adding value and protecting our interests as shareholders. The M&G website provides an overview of voting history: www.mandg.com/corporate/about-mg/investment-philosophy/corporate-governance/voting-history/

Reflecting this approach, M&G is a signatory to the UN Principles for Responsible Investment (UNPRI), an international

network of investors working together to promote responsible investment practices.

M&G provides market insights to clients, intermediaries and others through a number of channels, including a programme of roadshows and events. The M&G Client Council, launched in 2014, offers customers who invest directly with M&G an opportunity to help shape our products and services, in line with their needs. These investors give feedback through online surveys and interviews throughout the year, and members are kept informed about the results with regular emails and updates on a dedicated website.

Valuing our people



We foster an environment in which our people find value and meaning in their work, and deliver outstanding performance for our customers, shareholders and communities. This is achieved through our continued focus on diversity and inclusion, talent development, employee engagement, and performance and reward.

Diversity and inclusion

Prudential believes that a diversity of skill sets and backgrounds enriches the organisation. Given the diverse nature of our business and our stakeholders, we are committed to making diversity and inclusion a competitive advantage for our organisation. By continuing to ensure diversity among senior leadership teams and pipelines, as well as across the entire employee population, we aim to further increase the positive impact of diversity on our commercial success and ability to successfully compete in an increasingly complex and dynamic business environment.

We believe in respecting human rights, acting responsibly and with integrity. Our policies are guided by the principles of the UN's Universal Declaration of Human Rights and the International Labour Organisation's core labour standards. These are also incorporated into our Group Code of Business Conduct, which sets out the Group values and expected standards of behaviour for all employees, and in our Group Outsourcing and Third Party Supply Policy.

We maintain an inclusive culture that is sensitive to the needs of all employees. In particular, our Group-wide Diversity and Inclusion policy acts to ensure that each of our businesses takes appropriate measures to prevent discrimination in the workplace, and provides equality of opportunity both for our employees and for candidates that wish to join our Group regardless of their sex, race, age, ethnic origin, marital status, pregnancy and maternity, caring responsibilities, civil partnership status, any gender re-assignment, sexual orientation, religion or belief, disability

or part-time/fixed-term work. As such, we give full and fair consideration and encouragement to all applicants with suitable aptitude and abilities. For those employees and applicants with disabilities, we make appropriate disability adjustments as required, and ensure that we can provide training and career development opportunities for all.

We monitor the diversity of our leadership and our leadership pipeline, with diversity and inclusion KPIs reported to the Board annually.

Across our businesses our commitment to diversity and inclusion is supported by initiatives such as reviews of pay and performance management consistency, providing training to managerial and non-managerial staff, supporting flexible working arrangements, and engaging with recruitment firms to mitigate unconscious bias and diversify the pool of potential candidates. In Prudential Corporation Asia, since 2009 a Financial Literacy for Women programme has shared tips and training on financial planning and management with more than 19,000 female entrepreneurs. Our North American business is involved in the Women of Color STEM Conference, which recognises outstanding women in the science, technology, engineering and mathematics fields; and M&G has introduced the Women in Fund Management Roundtable, an internal network of senior women investors to support a shift in the gender balance within investment functions. Many of our businesses also run apprenticeship schemes.

In 2015 we further nurtured two affinity networks: M&G Pride for LGBT employees and allies and the London-based Prudential Women's Professional Network, each of which held several well-attended events.

A third cohort of colleagues based in the UK have joined The Pearls Programme, a UK-based development initiative designed to support women in middle- to senior-management positions in building confidence, capabilities and contacts.

Gender diversity across Prudential as of 31 December 2015 is shown below.

Headcount	Total	Male	Female
Chairman and independent Non-executive Directors	10	8	2
Executive Directors ¹	6	5	1
Group Executive Committee (GEC) (includes Executive Directors ¹)	11	10	1
Senior managers (excludes the Chairman, all directors and GEC members)	65	52	13
Whole Company ² (includes the Chairman, all directors and GEC members)	23,507	10,879	12,628

1 Does not include announcements made after 31 December 2015: John Foley's appointment to Executive Director and Anne Richards to replace Michael McLintock later in 2016.

2 Excludes PCA joint ventures.

Talent development

We recognise that people are our key resource, that investment in their development is essential to deliver our strategy, and that the quality of leadership across the Group is fundamental to the future growth and success of the business. We review our talent annually and offer a range of programmes that enable our people to continue to grow and develop. The majority of these are managed by our business units, while Group human resources focuses on tailored programmes for senior leaders across the organisation, succession planning for senior roles and development of our leadership talent pipeline. We invest in succession planning for our leaders and critical specialists, and segment our talent to identify short-, medium- and long-term successors and support them with the appropriate development and career planning, to ensure that we maintain an appropriate balance of internal progression and external hires.

Individually tailored development offerings are provided for our most senior executives so they are well prepared to deliver the long-term ambitions of the Group. In addition, in 2015 more than 180 senior high-potential individuals participated in our Group-wide leadership development programmes Impact, Agility and in our new programme for emerging talent, Next Generation. These programmes have been developed in partnership and co-delivered with world-leading academic institutions such as Duke Corporate Education, the Oxford Saïd Business School, and the London School of Economics.

Within our businesses there are many examples of our continuing commitment to talent development. Prudential Corporation Asia develops CEOs with targeted high-touch programmes, such as cross-company experience and industry expectations, for them to stay relevant and gain new insights. In the US, Jackson

University provides a highly customisable approach for associates' personal development and professional learning; and Prudential UK provides a fully differentiated management development offering, distinguishing the requirements of aspiring managers and experienced leaders. M&G Real Estate supports career development through a fund manager job shadowing programme; and Group Head Office provides innovative programmes (designed in partnership with top academic institutions such as the London Business School and Cambridge Judge), which offer leadership development and the opportunity to gain valuable experience through relevant business projects.

Employee engagement

An array of initiatives are in place within our different businesses to drive employee engagement. Depending on the business this engagement can start as soon as a new employee joins us, with an induction programme to learn about the history and strategy of the Group. Throughout the employee's career, additional opportunities may include being offered a number of high-impact training sessions as well as workshops on resilience, managing energy and enhancing productivity.

Each of our businesses manages its own intranet, providing all employees with access to regular updates, articles and internal and external news items relevant to the business and its geographical location. Each intranet also gets updated with material news from across the Group.

Some of our businesses hold regular employee open forums with senior management, conduct yearly engagement surveys or organise awaydays to discuss the business, our performance and internal management. Any highlighted issues are then used to improve the way in which we work. In addition, there are informal opportunities to meet senior managers and facilities to network with both peers and

senior leaders across functions; and well-being programmes to support sustainable high performance. We also have policies to encourage and support volunteering for charitable causes. The success of our efforts has again been recognised internally and externally. In 2015, engagement surveys in various business units showed excellent results. We have also received prestigious awards. For example, M&G was the highest-ranking asset manager in the Glassdoor survey of Best Places to Work in Consulting and Finance, and seventh in the Rate-My-Apprenticeship Top 60 Employers 2014-15. The ranking is based on anonymous reviews of current and former staff.

In addition, our businesses in the UK have a longstanding relationship with the union Unite.

We encourage volunteering, through which our employees can support our communities and acquire new skills.

 [Further details page 63](#)

Performance and reward

Our reward packages are designed to attract, motivate and retain high-calibre people across all levels. Each individual contributes to the success of the Group and should be rewarded accordingly.

We recognise and reward high performance while operating a fair and transparent system of reward. Reward is linked to the delivery of business goals and expected behaviours, and we ensure that rewards for our people are consistent with our values and do not incentivise inappropriate risk-taking. To enable this, employees are not only regularly assessed on 'what' they have achieved, but also on 'how' they did so.

There are recognition initiatives running across our businesses, such as the Prudential Stars awards at Group Head Office, which are made to individuals nominated by their colleagues for outstanding examples of execution, impact and engagement.

We believe in the importance of enabling our employees to have the opportunity to benefit from the Group's success through share ownership, and operate employee share plans across the UK and Asia. This includes PruSharePlus which first launched in 2014 and is open to all employees of Prudential in Asia. PruSharePlus enables Prudential's employees to share in the longer-term success of the business, and actively encourages share ownership and engagement with the business by providing a market-competitive share-matching plan. We were delighted that PruSharePlus recently received an award from the Global Equity Organization in recognition of its innovative and creative plan design.

Supporting local communities



STRONG FOUNDATIONS

Our community programmes are grouped around the broad theme of 'Strong Foundations'. This reflects our focus on helping communities establish those fundamental building blocks essential for their long-term futures. Our three 'building blocks' represent areas of primary need:

Education and life skills

Strengthening numeracy, financial literacy and employment training

Disaster readiness and relief

Providing long-term support to help prevent disasters and deal with their impact

Wellbeing and protection

Helping provide resources, such as clean water and shelter, that are essential for health and a thriving future

The inherent long-term social value of our business is complemented by community investments in each of the markets in which we operate. We provide support to charitable organisations through both funding, and the experience and expertise of our employees.

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

The diversity of our markets means that our programmes vary from region to region, but a shared focus for our community investment is education and life skills. These activities include financial education, support to improve social mobility and employee volunteering.

Education and life skills

In Asia, Prudence Foundation – the charitable arm of Prudential Corporation Asia – aims to maximise the impact of our community investment efforts in the countries where we have a presence. Its mission is to make a lasting contribution to societies across Asia through sustainable initiatives focused on three pillars: Children, Education, and Disaster Preparedness and Recovery.

The First Read programme was launched in 2013 in partnership with Save the Children in Cambodia and the Philippines. It works closely with parents of pre-school children to promote home-based early childhood care and development (ECCD) and address the issue of literacy. The programme enables parents to help develop their children's early literacy skills and overall

well-being so they can benefit from future schooling and prevent repetition of grades and dropping out of school, which is a significant issue in both countries. First Read also supports and collaborates closely with local book publishers, helping to develop and create new books written in local languages. Since inception, the programme has benefited almost 190,000 adults and children up to the age of six. In addition, First Read has indirectly benefited over 440,000 community members through the sharing of knowledge and resources.

Prudence Foundation launched Cha-Ching, a multi-media programme built around a series of three-minute animated music videos, in 2011 to help parents instill 'money-smart skills' in children aged seven to 12. This was developed with Cartoon Network and Dr Alice Wilder, an award-winning children's education specialist, to help children learn the fundamental money management concepts of earn, save, spend and donate. The programme has gained international recognition for promoting financial literacy, and won several industry awards. Over the past few years it has grown to become one of the top-rated children's television programmes in Asia. Today Cha-Ching is available in 10 languages in Asia, reaching 51 million households a day across Asia through the Cartoon Network. The Cha-Ching website has more than 73 million page views, and YouTube music videos have two million views. The Cha-Ching School Contact Programme, which brings Cha-Ching directly to schoolchildren across Asia, continues to develop and expand. To date it has reached more than 200,000 school children in nine countries. The Foundation has also started to work with Junior Achievement to develop a standardised school curriculum for Cha-Ching, which will be launched in 2016. This will further help meet the need for stronger financial literacy capabilities in students across Asia.

In the US, Jackson has pledged to support a new Teen Center at the Boys & Girls Club of Lansing, Michigan. The commitment is from the business and individual employees who will contribute toward the total investment needed to complete the project. The new Jackson Teen Zone will be added onto the existing Boys & Girls Club facility and will provide a much-needed quiet space for homework, college prep and Money Matters, a financial literacy curriculum designed by Boys & Girls Club of America. Every day more than 250 young people go to the Boys & Girls Club of Lansing.

As one of the most respected brands in the UK – according to Opinion Leader Brand Tracking we are the second most trusted insurance company in the UK – Prudential is taking a major role in helping to shape future job prospects for young people. Over the past two years the business has recruited 130 young people to join the

Every Saturday for six weeks, volunteers from Prudential worked with Prestasi Junior Indonesia to regenerate vacant wasteland and promote healthy living in a low-income, densely populated area of South Jakarta.

The project involved clearing rubbish and educating residents on appropriate waste management.

Volunteers helped transform the area into a cleaner, safer environment and facilitated local health clinics and financial education sessions.

325 employees

volunteered

1,625 hours

volunteered

2,996

beneficiaries



highly regarded apprenticeship programme, gaining important work and life skills as well as achieving recognised vocational and professional qualifications.

As a National Champion of Business in the Community's Business Class programme, Prudential UK & Europe works to set and promote the direction of the nationwide programme. It also partners with three schools, in London, Reading and Stirling, with over 320 employees having supported more than 3,400 children since 2013, including with pupils' interview and presentation skills and building public speaking confidence.

In India, Prudential UK & Europe works in partnership with the NGO, Magic Bus, which provides children from marginalised communities with opportunities for learning and developing work-readiness skills. This is achieved via a sport-focused activity curriculum, mentorship and employability programmes. We have specifically supported a personal development programme for 500 children and an employability skills workshop for 150 children.

M&G continues to fund a literacy centre at a primary school in the London Borough of Lambeth by funding the work of Springboard for Children, a charity that provides support to children whose reading age is significantly below their national average reading age.

In our new markets in Africa we have committed to provide support for academically able but financially disadvantaged high school students, and to help build capacity for training in actuarial sciences at local universities. Working with Plan International, the Prudential Scholarship

scheme, started in Ghana, has now been extended to Kenya and the two schemes will help more than 700 students to complete their secondary school education. Throughout 2016 we will work with Plan Uganda to build new classrooms and latrines and provide up-to-date learning equipment as well as financial support for vulnerable students. The potential reach will be 5,267 girls and boys in six secondary schools in northern Uganda. In addition we have established the Prudential Actuarial Support System awards for actuarial science in universities in Ghana and Kenya to support the top 10 graduating students for three years.

Disaster readiness and relief

As a life insurance and asset management company, our core business is the provision of protection, security and risk mitigation to families. Over the past four decades, the Asia-Pacific region has experienced 75 per cent of the world's natural disasters, resulting in a loss of nearly two million lives. The Prudence Foundation is working with NGOs to help communities better prepare for such disasters before they strike.

The Foundation has a strategic approach to its efforts in disaster preparedness, focusing on three key areas: mass education and awareness, capacity building and advocacy. In each area we have programmes that serve a vital need to help communities in the region become more disaster-resilient.

As part of a mass education initiative, the Foundation launched Safe Steps in May 2014, in partnership with National Geographic Channel and endorsed by the International Federation of the Red Cross and Red Crescent Societies. Safe Steps is a first-of-its-kind pan-Asian public-service

initiative to enhance disaster preparedness and awareness through the dissemination of educational survival tips for natural disasters. It is a multi-platform programme including on-air video messages, an informative website and educational collateral that can be shared among communities. Core to the programme is a series of 60-second educational videos which advise individuals and households what they should do when disasters strike. Together with on-air television distribution and through our partnerships with governments, NGOs and the private sector, Safe Steps has the potential to reach over 100 million people every day.

For capacity building, we partner with Plan International and Save the Children to implement the Safe Schools programme in Indonesia, the Philippines, Thailand and Vietnam. Safe Schools focuses on placing schools at the heart of building a culture of disaster preparedness within communities. This is performed by training students and their teachers in key disaster management skills, and supporting the organisation of disaster simulations and evacuation drills for students and their community. Since we began in 2013, over 36,000 students have participated, together with more than 11,000 teachers.

As a form of advocacy, Prudence Foundation partners with CSR Asia to host an annual Disaster Preparedness Forum in one selected city in Asia. We firmly believe the private sector has an important role to play in strengthening community disaster resilience, and this Forum provides a unique platform for dialogue and exchange of ideas between government, NGO, humanitarian and private-sector participants. We have held three forums to date, in

Jakarta in 2013, Manila in 2014 and most recently in Hanoi in 2015, with close to 500 participants representing the various stakeholders.

As part of our focus on disaster relief and recovery, Prudence Foundation provided financial donations for emergency relief efforts in Malaysia following the severe floods in January 2015, in Nepal after the devastating earthquake in April 2015, and in Myanmar after the floods in August 2015. In Malaysia we were also able to provide support for long-term rehousing efforts, partnering with Epic Homes, a local NGO, to fund and build 14 new houses for a remote village in Kelantan state. Similar to our efforts in Bantayan Island, the Philippines, Prudence Foundation sponsored a month-long 500-volunteer effort to complete construction of the houses, which also included 100 Prudential volunteers from across Asia.

As a Group, Prudential has been a partner of Save the Children's Emergency Fund for a number of years and has committed in 2016 to a further three years. The Children's Emergency Fund enables the charity to respond immediately to emergencies in countries where there is the greatest need and where children are most at risk. Save the Children has been able to use the Children's Emergency Fund to respond to 124 disasters across 49 countries in 2015, which demonstrates the scale of the need and the power of the emergency fund as a resource for their response work.

Wellbeing and protection

We help to provide the resources that are essential to secure a healthy, thriving future for our customers, our people and our communities. We work with local communities to develop strong, sustainable projects that meet local needs. For example, Jackson employees are actively engaged in our commitment to communities by taking part in programmes such as the Jackson National Community Fund Advisory

Committee and the employee-nominated matching programme. The Jackson National Community Fund supports charities that help the elderly and children through quarterly grants in communities where Jackson's four largest offices are located. Jackson's matching programme offers a two-to-one match on all employee donations made to approved charities. This programme ensures that causes important to employees are given charitable consideration and ensures Jackson's support is received by responsible organisations where funding will create a significant impact.

Jackson has played a key role in building Beacon Field, Lansing's only drop-in youth soccer field, which opened in September 2015. Use of the field is free and open to anyone. It includes synthetic turf and features two goals, kick boards and solar lights. The charitable priorities of the business are to serve children and senior citizens, and Jackson was keen to collaborate with other businesses to be part of a project to build a safe place for young children to play soccer in the heart of downtown Lansing. The project has enhanced a run-down part of Lansing and brought community, corporations and local businesses together to maximise benefits for the local community.

Prudential UK & Europe employee volunteers have continued to be involved in Call in Time, an Age UK telephone befriending programme that matches each volunteer with an older person who they speak to weekly. This year, 42 lonely and isolated older people have been supported by Prudential volunteers, with some volunteers having now been involved in the programme for more than six years.

In 2015, M&G Investments continued to provide support to some of the most deprived and disadvantaged communities located near its offices. A total of 228 charities and community organisations

received donations, enabling positive and lasting changes to be made in the lives of thousands of people. Projects across a range of sectors gained benefits as a result. Academic achievement was encouraged through support given to schools and educational establishments. A number of social, welfare, children and youth programmes were funded – many of which addressed issues of social cohesion, feelings of isolation and lack of inclusion in community life. Medical facilities such as hospitals and hospices were also recipients of funding, as were projects related to the arts and environmental conservation.

The Chairman's Challenge and employee volunteering

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

In 2015, employees across the Group volunteered in their communities on a range of projects, providing a total of 51,979 hours of volunteering. We recognise that employee volunteering brings benefit not only to the charities but also to the development of our people, and we actively encourage colleagues to participate in our programmes.

More than 7,000 employees volunteered through Prudential's flagship international programme, the Chairman's Challenge, which encourages people from across the Group to volunteer on projects initiated by our global charity partners, including Plan International, Help Age International and Junior Achievement. Each volunteering project focuses on one or more of our Strong Foundations themes and allows us to support both large, well-established charities and innovative, smaller-scale activities with volunteers as well as financial support. Prudential donates £150 to our charity partners for every employee who

Our communities in focus

The Jackson Board Corps programme is changing the way employees volunteer with charitable organisations. Since its launch in 2014, 40 Jackson employees have been trained to serve in leadership positions for non-profit organisations.

The Board Corps programme consists of a series of classes and group work led by philanthropy experts, along with non-profit site visits. The classes and group work allow employees to further develop their leadership skills, while the site visits help participants explore what type of charity and mission resonate with them personally.

The programme offers the opportunity to increase the charitable involvement of Jackson while also developing professional leadership skills for employees, which not only provide valuable contributions to the boards they serve on but also benefit their careers and personal lives. At the conclusion of each Jackson Board Corps class, Jackson's CSR team helps pair each employee with a charitable organisation in line with their area of interest.



registers for the programme. Charity partners use this money to seed-fund charitable projects for Prudential volunteers. Employees across the Group are involved in the voting process to decide the most innovative projects.

As well as volunteering efforts on behalf of the Chairman's Challenge, employees around the Group volunteered on a huge range of other charitable projects, from providing relief following disasters to mentoring schoolchildren, supporting the elderly and skills-sharing.

Prudential RideLondon

The 2015 Prudential RideLondon, the world's biggest festival of cycling, was a great success. This was the third RideLondon sponsored by Prudential and raised more than £12 million for charity, promoting health and providing a memorable occasion for participants and spectators and an opportunity for Prudential staff from around the world to take part. Around 70,000 people took to the streets of London on 1 August to enjoy cycling on traffic-free roads in the Prudential RideLondon FreeCycle. The following day, 25,000 people took on the challenge of cycling 100 miles through London and the hilly country to the south-west in the Prudential RideLondon-Surrey 100, with more than 180 cyclists from across the Group, including colleagues from Group Head Office, Prudential UK & Europe, M&G, Jackson and Prudential Corporation Asia.

In addition, 160 colleagues were on duty as volunteers to help make the event a success. The programme also featured two professional races involving some of the world's best riders – the Prudential RideLondon Grand Prix women's race around St James's Park on the Saturday and the Prudential RideLondon Classic men's professional race on the Sunday, which

followed the same course as the amateur riders earlier in the day. All the weekend's events featured prominently on national TV and radio and in the press.

In its first three years, Prudential RideLondon participants have raised more than £29 million for good causes throughout the UK. We have renewed our sponsorship for a further three years to 2018 and will focus on maximising funds raised for charity by the organisers and through the development of new and existing Prudential charitable partnerships.

Charitable donations

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

In 2015, the Group spent £21.7 million supporting community activities, an increase of 10.7 per cent on 2014.

The direct cash donations to charitable organisations amounted to £18.8 million, of which approximately £5.8 million came from our UK and EU operations, which are principally our UK insurance operation and M&G. The remaining £13 million was contributed to charitable organisations by Jackson National Life Insurance Company, Prudential Corporation Asia and Prudential Africa.

The cash contribution to charitable organisations from our UK and EU operations is broken down as follows: education £2,401,000; social, welfare and environment £3,097,000; cultural £227,000 and staff volunteering £109,000.

The balance of the amount includes in-kind donations as set out in our corporate responsibility report and prepared in accordance with London Benchmarking Group (LBG) guidelines.

Political donations

It is the Group's policy neither to make donations to political parties nor to incur political expenditure, within the meaning of those expressions as defined in the Political Parties, Elections and Referendums Act 2000. The Group did not make any such donations or incur any such expenditure in 2015.

Protecting the environment



The management of environmental issues is an integral part of managing the total risks faced by our business. Part of our strategy to mitigate against climate change includes:

- Measuring, reporting and improving environmental performance of our global operations; and
- Improving the indirect environmental impacts as an asset owner.

In addition to our own internal reduction targets, we also participate in the Carbon Disclosure Project. This survey captures data on a whole range of different aspects of an organisation's impact on the global environment. Over the last three years we have been able to provide increasing levels of detail and this has improved our disclosure score from 70 per cent in 2013 to 97 per cent in 2015, and our performance rating from D to B.

We are also a member of ClimateWise, which is a voluntary leadership group driving an insurance industry response to the transition to a low-carbon, climate-resilient economy. As part of our membership we report, and are independently measured, against six core principles. During 2015 we were able to increase our score and ranked within the top 10 members. For more information the latest ClimateWise report can be found at: www.cisl.cam.ac.uk/publications/sustainable-finance-publications/a-climate-of-change

Our environment in focus

Jackson opened its new, environmentally responsible building in Lansing which provides capacity for more than 1,200 state-of-the-art workspaces, as well as conference facilities and other amenities.

The new building has been built to minimise long-term environmental impact and is connected to Jackson's existing office through a glass-enclosed walkway, providing employees with a feeling of being in the midst of the natural landscape. The conference centre

features a living-grass roof which reduces energy consumption while blending in with the surrounding landscape. The building is expected to qualify for an Energy Star rating that places it in the top 20 per cent of the most energy-efficient buildings in the US. This focus on integrating its buildings with the natural beauty of its corporate campus, along with an energy-efficient design, allows Jackson to operate on a very cost-efficient basis while providing an environmentally-conscious and healthy working environment for employees.



As a financial services business we recognise that one of the most significant direct impacts on the environment results from the operation of the properties we occupy and invest in.

Reducing our direct impact: occupied properties

We monitor and publish Group performance data for our CO₂e emissions, water and energy use in over 400 sites across 24 countries.

We have strategies in place to reduce energy, waste generated, water consumption and paper use. In the past year, Prudential sourced 27 per cent of electricity from renewable or non-fossil fuel sources.

Reducing our impact: property investment portfolio

M&G Real Estate forms part of the M&G Group of Companies, the asset management arm of Prudential plc in the UK and Europe. Its approach to responsible property investment enables it to manage and respond to the growing range of environmental and social issues that can impact property values. It also helps M&G Real Estate to protect and enhance fund and asset performance for its clients.

Responsible property investment is integrated within M&G Real Estate's day-to-day investment practices. It enables them to adapt and respond to the challenges and opportunities posed by various issues, such as rising energy and resource costs, greater legislative demands and stronger tenant and investor requirements.

M&G Real Estate's focus on embedding responsible property investment principles into its investment activities has achieved some significant results. In the past year, M&G Real Estate has:

- Reduced global energy consumption and carbon emissions by 3 per cent at properties held consistently for two years;
- Achieved four Green Stars in the 2015 Global Real Estate Sustainability Benchmark survey in recognition of its market-leading performance; and
- Ensured that more than 640,000 m² of floor space has environmental certification, providing independent verification of its performance.

M&G Real Estate's progress can be found in its annual responsible property investment report at www.mandg.co.uk/institutions/realstate/responsible-investing/

Prudential plc - greenhouse gas emissions statement

We have compiled our greenhouse gas emissions data in accordance with the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013.

We have included full reporting for all Scope 1 (direct emissions such as combustion of gas for heating, fugitive emissions and emissions from owned vehicles) and 2 (indirect emissions for consumption of electricity, heat or steam) emissions where operational control of the emissions of the sources concerned was demonstrated. We have also reported on

a number of Scope 3 emissions as a matter of best practice. These are emissions arising as a consequence of the activities of the company, but occur from sources not owned or controlled by the company. For the purpose of the 2015 report these Scope 3 emissions include: water (new metric for 2015), waste generated in operations in the UK and US, and business travel booked from the UK. We are continuously working with our business units to review the extent of our Scope 3 reporting and increase where practicable.

Assessment parameters	Baseline year: 1 October 2014 - 30 September 2015 Assurance: Deloitte LLP has provided limited assurance over selected environmental metrics in accordance with the International Auditing and Assurance Standards Board's (ISAE3000 (Revised)) international standard. Please refer to the 2015 Prudential corporate responsibility report for further detail.
Consolidation approach	Operational control
Boundary summary	All entities and all facilities under operational control (including those owned) were included
Consistency with the financial statements	This period does not correspond with the Directors' report period (January 2015 to December 2015). The reporting period was brought forward by three months to improve the availability of invoice data (which often lags by one month or more after the usage period) and reduce the reliance on estimated data. Prudential owns assets, which are held on its balance sheet in the financial statements, over which it does not have operational control. These are excluded from the data below. Assets not included on the balance sheet but held under an operating lease and where we have operational control are included.
Emission factor data source	Defra 2015 – obtained from www.ukconversionfactorscarbonsmart.co.uk
Assessment methodology	The Greenhouse Gas Protocol Revised 'A Corporate Accounting and Reporting Standard (Revised Edition)' 2004
Materiality threshold	5 per cent
Intensity ratio	Tonnes of Carbon Dioxide Equivalent per metre squared (Net Lettable Area)

Greenhouse gas emissions source

Emissions source			2015	2014	2013
Scope 1	Combustion of fuel and operation of facilities (Tonnes CO ₂ -e)	Occupied Estate	8,409	8,486	6,019
		Investments	8,845	10,044	13,062
Scope 2	Electricity, heat, steam and cooling purchased for own use (Tonnes CO ₂ -e)	Occupied Estate	62,695	61,550	65,730
		Investments	28,691	39,573	42,079
	Scope 1 and Scope 2 Emissions (Tonnes CO ₂ -e)	Occupied Estate	71,104	70,036	71,749
		Investments	37,536	49,617	55,141
Total Scope 1 and 2 (Tonnes CO₂-e)			108,640	119,653	126,890
Normalised emissions	Normalised Scope 1 and 2 (kg CO ₂ -e/m ²)	Occupied Estate	132	135	139
		Investments	10	13	15
	Total Scope 1 and 2 (kg CO₂-e/m²)			25	28
Scope 3	Waste generated (UK and US) (Tonnes CO ₂ -e)	Occupied Estate	77	201	166
		Investments	244	387	840
	Water consumption (Tonnes CO ₂ -e)	Occupied Estate	80	–	–
		Investments	174	–	–
	Air travel (Booked from UK only) (Tonnes CO ₂ -e)	Occupied Estate	13,451	9,818	9,398
		Investments	n/a	n/a	n/a
	Other business travel (rail and vehicle) (Tonnes CO ₂ -e)	Occupied Estate	56	50	19
		Investments	n/a	n/a	n/a
	Total Scope 3 Emissions (Tonnes CO ₂ -e)	Occupied Estate	13,664	10,069	9,583
		Investments	418	387	840
Total Scope 3 (Tonnes CO₂-e)			14,082	10,456	10,423
Scope 1, 2 and 3	Total Scope 1, 2 and 3 Emissions (Tonnes CO ₂ -e)	Occupied Estate	84,768	80,105	81,332
		Investments	37,954	50,004	55,981
	Total Scope 1, 2 and 3 (Tonnes CO₂-e)			122,722	130,109
Normalised emissions	Normalised Scope 1, 2 and 3 (kg CO ₂ -e/m ²)	Occupied Estate	157	154	157
		Investments	10	13	16
	Total Scope 1, 2 and 3 (kg CO₂-e/m²)			28	30

Following a detailed review of the Group's approach to reporting emissions resulting from investments, investment data has been restated. Due to the changing size and nature of the investment portfolio, absolute and normalised comparisons between years are not comparative. Net lettable area is reported for all properties held within the reporting period. In line with best practice, environmental data is collected for properties at acquisition and at date of divestment, therefore

comparisons for absolute change and normalised change are not directly comparative. For more information on sustainability progress, please refer to the annual M&G Real Estate Responsible Property Investment report for further details, including like-for-like comparisons.

Overall Scope 1 and 2 emissions in the global occupied estate have increased 1.53 per cent from 2014, and decreased 0.9 per cent from the 2013 baseline.

Accountability and governance for corporate responsibility

The Board

The Board regularly reviews the Group's corporate responsibility performance and scrutinises and approves the Group corporate responsibility report and strategy on an annual basis.

Code of Business Conduct

Consideration of environmental, social and community matters is integrated in our Code of Business Conduct. Our code is reviewed by the Board on an annual basis.

Risk assessment

For more information on the risks facing our business see page 49.

Local governance

In M&G, Jackson and Prudential UK there are governance committees in place – with senior management representation – that agree strategy and spend. In Asia, the Prudence Foundation has been established as a unified charitable platform to align and maximise the impact of community efforts across the region.

Supply chain management

It is our policy to work in partnership with third parties whose values and standards are aligned with our Group Code of Business Conduct.

Procurement practices in Prudential UK have been successfully accredited with the Chartered Institute of Purchasing and Supply certification, an industry benchmark of recognised good practice.