

Inside this report

1. Our customers

Today we serve more than 26 million customers in diverse markets.

Page 8

2. Our people

We employ more than 26,000 people from diverse backgrounds and cultures.

Page 20

3. The environment

We recognise that protecting the environment is an important part of managing a sustainable business.

Page 26

4. Supporting local communities

For us, part of being a long-term business involves a commitment to supporting the long-term well-being of the communities in which we operate.

Page 32

Prudential plc

Corporate Responsibility 2011

Long-term thinking



PRUDENTIAL

About this report

This report covers our corporate responsibility (CR) activities in 2011. It provides an overview of our approach as well as highlights of our progress. It also includes a selection of articles based on interviews with our employees around the world, showing how we put our CR principles and policies into action as an integral part of the way we do business.

Information about our principles and policies, as well as previous case studies, can be found on our corporate website www.prudential.co.uk/prudential-plc/cr/

Contents

Overview

- 2** About Prudential
- 4** Chairman's statement
- 6** Creating social and economic value

Our customers

- 8** Serving our customers
- 10** 2011 highlights
- 12** Protecting customers' funds in tough times
2011 was a challenging year for global markets, but M&G steered its policyholders through the difficulties
- 14** Staying in touch
In 2011 Prudential UK began a comprehensive programme of contact to enhance our connection with customers



- 16** Fifty years of customer focus
Jackson celebrated half a century in business by reaching a new peak in customer service
- 19** New products for new needs
Prudential's Asia businesses are developing innovative products that cater to fast-changing customer needs in their dynamic markets

Our people

- 20** A diverse and motivated workforce
- 21** 2011 highlights
- 22** Jackson's online university
Jackson has launched a comprehensive new learning platform offering employees the chance to expand their skills
- 24** Prudential volunteers in the earthquake zone
Following the 2011 earthquake and tsunami in Japan, a group of Prudential Corporation Asia volunteers spent a week working on the relief effort in the disaster area



The environment

- 26** Protecting the environment
- 27** 2011 highlights
- 28** Measuring impact
A pioneering project helped Prudential in Asia begin a new phase in dealing with its environmental impact
- 31** Property investment the sustainable way
Driving environmental improvements is helping PRUPIM attract and retain tenants while making a positive impact on communities



Supporting local communities

- 32** Creating social value
- 34** 2011 highlights
- 36** Indonesian project wins Chairman's Challenge
A safe house for Jakarta street children was voted the winning project in our flagship volunteering programme
- 38** A class apart
Prudential UK is one of Business in the Community's national Business Class champions helping disadvantaged young people
- 40** Capable finance
For 10 years Prudential has been providing financial support to Citizens Advice, the organisation that offers free confidential information and advice
- 42** Three times the impact
Jackson's programme of trebling employee donations to charity is proving a big success
- 45** Money-smart kids
An innovative television and online series created by Prudential is teaching children in Asia how to manage money



- 46** Vietnam - in for the long term
Prudential's contribution to Vietnam's development has been recognised with a medal from the country's government
- 48** How we manage corporate responsibility
- 50** Performance data 2011
- 53** How to contact us

About Prudential

Prudential plc is an international financial services group with significant operations in Asia, the US and the UK, providing savings, income and protection products. We have been providing financial security for over 160 years from our beginnings in Victorian Britain. We have more than 26 million customers today.

We are one of the largest institutional investors in the UK and we have £351 billion of assets under management worldwide. We employ more than 26,000 people and we are one of the world's best-capitalised insurers, with an Insurance Groups Directive (IGD) capital surplus estimated at £4.0 billion - reflecting the financial strength of the Group¹.

Key statistics

160+

years of understanding and responding to our customers' needs

26,000+

employees

26m+

customers

4

stock exchange listings - London, Hong Kong, New York and Singapore

£351bn

assets under management (at 31 December 2011)

¹ At 31 December 2011 before final dividend. Companies whose activities are primarily concentrated in the insurance sector are subject to the capital adequacy requirements of IGD, as implemented by the Financial Services Authority in the UK.

Overview



Prudential Corporation Asia

Prudential has been in Asia since 1923. Today we serve more than 16 million customers.

We are a leading life insurer in the region, operating in 12 markets and providing a comprehensive range of savings, income, protection and investment products.

Through our Asia asset management business - Eastspring Investments - we are the largest multinational onshore mutual fund manager in the region and manage investments across a broad range of asset classes for third party retail and institutional clients, as well as Prudential's life insurance businesses.



www.prudentialcorporation-asia.com



Jackson

Founded 50 years ago, Jackson is one of the largest life insurance companies in the US, providing retirement savings and income solutions with more than 2.9 million policies and contracts in force.



www.jackson.com



Prudential UK

Our UK insurance operation - serving approximately 7 million customers - is a leading life and pensions provider and one of the country's largest annuity providers. The strength and performance track record of our With-Profits Fund is widely recognised. Despite extreme market volatility in 2011 the Fund continues to provide customers with solid returns over medium to long-term time horizons.



www.pru.co.uk



M&G

M&G - with a client base of 390,000 - is our UK and European asset management business. The company has been investing money for individual and institutional clients for more than 80 years. Today it is one of Europe's largest active investment managers.



For a detailed overview of our markets and operations please refer to our 2011 Annual Report

www.mandg.co.uk

Chairman's statement

‘Our prudent management of our long-term liabilities and investments, our commitments to our customers and our employees, as well as our support for our communities and responsibility towards the environment, are rooted in our aim of continuing to deliver strong financial performance, sustainably.’

Harvey McGrath
Chairman, Prudential plc



I am proud to present our 2011 corporate responsibility report providing a review of our commitments and progress.

Businesses have enormous influence on the world and, at Prudential, we believe that businesses are part of society, not separate from it, so they have a responsibility not only to do well but also to do good. This is why we strive to ensure that sustainability - in its broadest sense - is central to the way we do business.

Our prudent management of our long-term liabilities and investments, our commitments to our customers and our employees as well as our support for our communities and responsibility towards the environment, are rooted in our aim of continuing to deliver strong financial performance, sustainably.

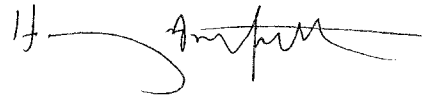
I believe that we are making good progress but this is not an area where we can afford to be complacent and, as a Board, we regularly challenge our businesses to do more.

In December 2011 I announced my intention to retire as Chairman of Prudential once a suitable successor had been found. It has been a great honour to serve as Chairman - and to act as Board sponsor for CR during my tenure - but my other public commitments, including my personal involvement in educational and philanthropic activities, now deserve more of my time and energy. I will leave Prudential knowing that the Board will continue to drive our sustainability agenda as a core part of our strategy.

In this year's CR report you will see our progress on our core responsibility themes which continue to be based around our customers, our people, the environment and our communities. For the second year running we have also included a selection of articles based on interviews with our people showing how we put our principles into practice.

We have many good stories to tell and I hope you enjoy this year's selection, which include some of the remarkable examples of how our people devote their time, energy and expertise to support good causes. It is a constant source of pride when I hear their stories - from on-the-ground support following the Japan earthquake and the floods in Thailand, to mentoring and volunteering in education to help young people have a better start in life.

I would like to take this opportunity to express my thanks to all our employees around the world whose commitment and dedication is making a real difference to our communities.



Harvey McGrath
Chairman, Prudential plc

As a business that provides saving income and protection products and services, we create social and economic value through our day-to-day operations. At the core of our business is providing customers with ways to manage uncertainty and create a more secure future, and, by playing a key role in financial markets, we also provide long-term capital that finances businesses, builds infrastructure and fosters growth in both developed and developing countries. For example, in 2011, our UK and European fund management business, M&G, added a new UK social housing debt fund to its inflation linked products for pension funds, in addition to the £2 billion already invested in the sector.

Sustainability is central to the way we do business. We aim to be sustainable in the broadest sense - financially, socially and environmentally. We have long-term

liabilities and investments, and our commitments to our customers and our employees, as well as our support for communities and responsibility towards the environment, are rooted in our aim of continuing to deliver strong financial performance sustainably.

Our CR activities are grouped around four global themes: our customers, our people, the environment and our communities. These themes provide clarity to all of our businesses on where they should focus their CR efforts and resources in the context of their local operating environments.

As part of our continued commitment to delivering financial performance sustainably, in 2011 we undertook further work in each of these four areas to ensure that our day-to-day operations, and our dedicated community support, continue to improve lives and build communities, wherever we work.



Creating social and economic value

Our four corporate responsibility priorities

Our customers

We want our customers to stay with us for a long time. This means we must constantly listen to them to understand their needs; and we must provide them with fair and transparent products, and customer service, that maintains their trust and faith in our business.

Our people

Our people strategy is rooted in the belief that we must create an environment that develops and retains committed and motivated people, who - regardless of their gender, ethnicity, disability status, age, religion, caring responsibilities or sexual orientation - are able to achieve excellence and deliver outstanding performance for our customers, our shareholders and our communities.

The environment

We aim to constantly reduce our impact on the environment by decreasing the direct impact of the properties we occupy, as well as those we manage as part of our investment portfolio.

Our communities

Being a long-term business means supporting the long-term well-being of the communities in which we operate. All our businesses have community investment programmes in place, consisting of a mix of charitable donations, employee volunteering schemes and charity partnerships. We establish long-term relationships with our charity partners to ensure that the projects we support are sustainable, and we work closely with our partners to make sure that our programmes continuously improve.



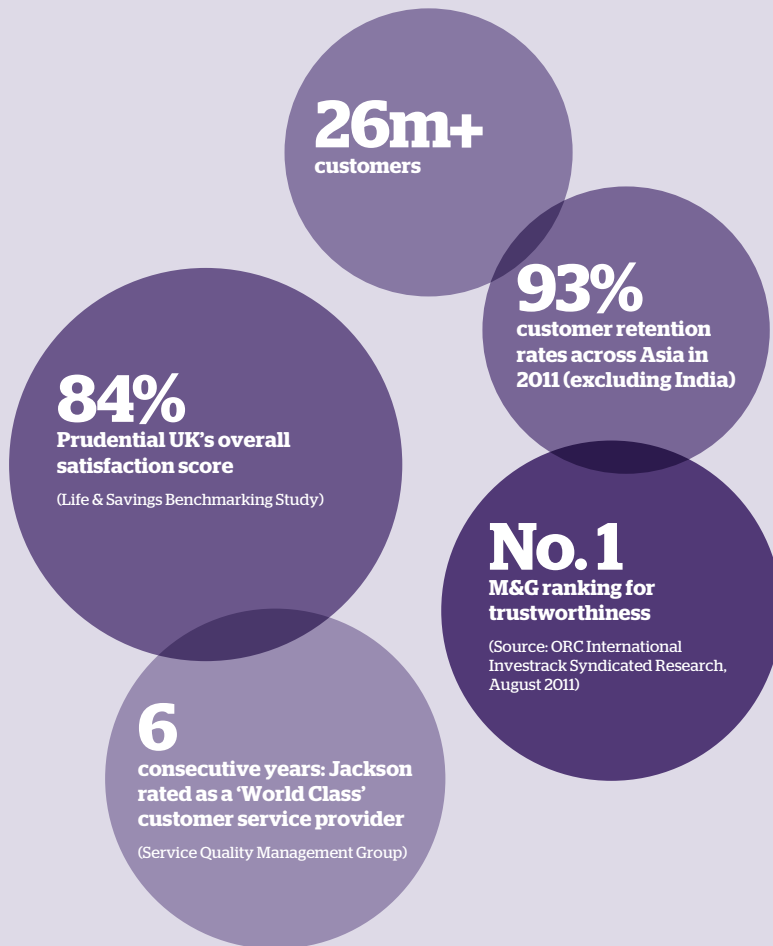
Today we serve more than 26 million customers in diverse markets where people's specific saving, investment and protection needs are different. For example, in many of our markets in Asia healthcare protection continues to be increasingly important, whereas in the UK and the US continuing difficult economic conditions have led customers, more than ever, to seek investments that offer them the highest level of security.

While our customers' needs may be very different, what is common to all of them is that the financial decisions they make are among the most important of their lives and we are committed to doing everything we can to help them.

We do not underestimate the significance of the decisions our customers face, nor do we take for granted the trust they place in us to deliver for them over the long term so they can have peace of mind. Our long-standing commitment to building customers' trust has never been more important than during these difficult economic times.

We are in no doubt that listening to our customers, delivering for them in the long term and providing the highest quality of service must be at the core of what we do and how we do it.

Across all our businesses, we constantly monitor how well we are performing for our customers and this is formally reviewed by the Prudential Board.



1. Our customers

Our principles

- We value the trust customers place in our business and we aim to live up to their expectations.
- We are committed to presenting our products clearly and transparently.
- We believe in maintaining open and clear communications to help customers make informed decisions.

Customer service and performance awards in 2011

Prudential Corporation Asia

Best in Achieving Total Customer Satisfaction in Life Insurance category
Indonesia Customer Satisfaction Awards 2011 - SWA Magazine

Best-in-Class for Japan Equity in Asia
Benchmark Fund of the Year Awards 2011 in Singapore

Best Contribution in Investor Education and Category Enhancement - Mutual Fund
The Bloomberg UTV Financial Leadership Awards 2011 in India

Diamond Award - Best Corporate Governance Disclosure Awards 2011 (non-Hang Seng Index, large market capitalisation category)
Hong Kong Institute of Certified Public Accountants

Gold Award in Insurance category
Reader's Digest Trusted Brand Awards 2011 (Hong Kong and Malaysia)

The greatest potential brand in the insurance industry
2011 China Finance and Economics Awards in China

Company of the Year Award 2011 in Life Insurance category
The Indian Insurance Awards 2011

Jackson

World Class customer service provider (for six consecutive years)

Highest Customer Satisfaction by Industry
Service Quality Management Group (SQM)¹

Prudential UK

Five-stars - investment providers and packagers category (for third year)
Five-stars - life and pensions
Financial Adviser Service Awards

Five-stars - for several investment and pension products
Independent product research company Defaqto

Best Investment Bond Provider
Moneyfacts Investment Life & Pensions Awards

Five-stars - Investment Provider and Packager
FTAdviser Online Service Awards

M&G

Outstanding Investment House
OBSR Honours 2011

Fixed Income Manager of the Year 2011
Financial News Awards for Excellence in Institutional Asset Management

Fixed Income Manager of the Year
European Pensions Awards 2011

Best Manager - Global Equity (Graham French)
Morningstar European Fund Awards 2011

Best Fixed Interest Group (UK and International)
Best UK Growth Group
Professional Adviser Awards 2011

During 2011, M&G won more than 20 additional awards. Please see the full details at www.mandg.co.uk

¹ SQM benchmarks more than 450 North American contact centres annually, and has evaluated customer satisfaction for contact centres since 1996.

2011 highlights

Listening and responding to customers

Prudential Corporation Asia

- We launched PRU*early stage crisis cover*, one of the few health cover products in the region providing financial support in the early stages of diagnoses.
- Beyond health we introduced PRU*life ready*, a scheme specifically designed to reward young people when they achieve significant milestones and goals in their lives.
- In Malaysia and Singapore we continued to invest in developing PRU*way*, a technology tool to help analyse customers' financial planning needs.
- In Hong Kong, we launched a new iPad application, integrating advice, sales and service, to help financial advisers and service representatives better meet consumers' needs.
- We continued to provide ongoing training to our tied agency force, including at dedicated training centres and accredited institutions such as the University of Indonesia.

Jackson

- Our US business continued to implement its Retirementology programme, helping people to understand - and better prepare for - their retirement. For further details please see www.retirementology.org

- For customers seeking greater security in times of economic uncertainty, we have continued to make our variable annuities products more widely available - increasing the number of advisers selling them to more than 140,000, up 10,000 from 2010.

Prudential UK

- With UK market rates at a historic low during 2011, a new Customer Relationship Team was set up for our UK annuity customers to help provide further information for those people looking to take income from their pensions. 98 per cent of customers contacted said they felt valued.
- Another new service - Prudential Financial Planning - was piloted in the UK offering customers face-to-face advice. **Read more about Prudential Financial Planning.**

M&G

- Our UK and European fund management business, M&G, launched the European M&G Inflation Linked Corporate Bond Fund, enabling savers to protect their investments in corporate bonds from rising prices. **Read more about protecting customers' funds in tough times.**
- M&G's UK Companies Financing Fund - set up in 2009 to help fill the funding gap by banks following the financial crisis - lent £505 million in 2011 to mid cap UK companies.

Customer service and performance

Prudential Corporation Asia

- Prudential Corporation Asia's reputation for listening to customers and meeting their needs continues to be strong:
 - Customer retention rates were maintained at 93 per cent across the region during 2011¹;
 - 42 per cent of new business came from existing customers; and
 - We were ranked in the top quartile for trust and reputation in the Top 1,000 Asia Brands survey published by Campaign Asia Pacific - up 19 places on 2010.

Read more about how we are meeting customer needs in Asia.

Jackson

- Our US business maintained its reputation as a customer service leader:
 - Ranking number one in the sector for advocacy and loyalty among advisers (Cogent 2011 Advisor Brandscape Report)² - up from second place in 2010;
 - Acknowledged as a 'World Class' customer service provider - for six consecutive years - by Service Quality Management Group (SQM) in its latest benchmark study of North American contact centres³; and
 - Receiving the 'Highest Customer Satisfaction by Industry' award in the same SQM study, with the highest rating in the financial services industry.

Read about 50 years of customer focus in Jackson.

1. Our customers

¹ Excludes India.

² The annual Cogent report is a key industry benchmark study surveying 1,643 advisers.

³ SQM benchmarks more than 450 North American contact centres annually, and has evaluated customer satisfaction for contact centres since 1996.

UK

- Activities to improve our levels of service in our UK insurance operation included:
 - A new system allowing advisers to submit and track new business applications online;
 - Reducing transfer times between annuity providers;
 - Streamlining claims payment processes; and
 - Improving the use of automated payment technology.
- UK customer service performance is continuously monitored:
 - Throughout 2011 our UK business scored a 96.6 per cent customer service satisfaction score from our continuous telephone research service⁴;
 - We also achieved an 84 per cent overall satisfaction score (up from 81 per cent in 2010) in the Association of British Insurers annual Life & Savings Benchmarking Study;
 - Independent tracking research identified us as one of the three most trusted life and pension providers in the UK (November 2011 Opinion Research); and
 - Financial Ombudsman Service complaint data published for more than 150 financial services companies placed Prudential in the best performing 15 per cent.

Learn more about our customer engagement in the UK.

M&G

- M&G continued to have one of the highest trust scores among sector peers:
 - Ranking number one for trustworthiness among intermediaries (ORC International Syndicated Research, August 2011); and
 - Ranking, on average, within the top two most trusted asset management brands among UK private investors (TNS Tracking Research, December 2011).

Protecting customers online

We have a 'Fraud Mailbox' where customers, shareholders and third parties who are looking for guidance about the authenticity of Prudential documents, can contact us for prompt verification. Each Prudential business also has a dedicated telephone number where people can report any suspected criminal activity. Callers can remain anonymous and we act quickly on any information received.

Informing global debates impacting our customers

As a business that is built around a long-term perspective, we actively participate in global debates and policy considerations that affect our customers by sharing our knowledge and insights.

The complexities and challenges surrounding ageing populations have significant policy implications in many countries around the world. Through our partnership with the Washington DC-based think tank, the Center for Strategic and International Studies (CSIS), we have continued to contribute to the debate during 2011, through events and seminars with policymakers promoting the Global Aging Preparedness Index.

This Index, sponsored by Prudential, is a detailed study evaluating the preparedness of 20 of the world's emerging and established economies resulting from demographic changes. A copy of the report is available at <http://gapindex.csis.org>

In 2011, we commissioned additional demographic research in partnership with CSIS, looking in further detail at retirement expectations in Asia. These findings, available in 2012, will also be shared with policymakers.

⁴ Viewscast independent research run by IPSOS Mori.

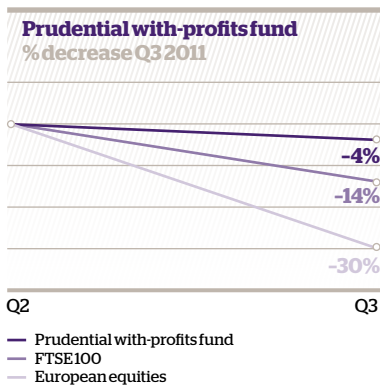
Protecting customers' funds in tough times

2011 was a challenging year for global markets. Diversification and a long-term focus on risk helped M&G steer Prudential policyholders through the difficulties

Last year was a highly volatile one for the global financial markets. Concerns over European sovereign debt and fears about a general slowing of demand helped to push the FTSE 100 to its worst quarter for nine years in the third quarter, down 14 per cent.

However, Prudential policyholders fared well in a difficult market thanks to the asset allocation expertise of the Portfolio Management Group (PMG) and Prudential's investment management companies that manage the underlying investment portfolios. The largest of these is M&G, which manages the UK and European portfolios. A sophisticated and cautious approach to investment from the companies' experts went a long way to ensuring that Prudential policyholders were not hit by the worst of the financial storms.

In the third quarter of 2011, for example, while European equities fell



25-30 per cent, the overall Prudential with-profits fund was down by only 4 per cent, leaving customers much better placed than those of many other fund managers.

With more than 80 years' experience of managing funds, Prudential has always been committed to helping customers achieve their objectives, with all the fund managers focusing on long-term thinking about companies rather than the short-term considerations that drive many investors.

Martin Brookes, the Portfolio Manager of the with-profits fund, says a large part of the business's relative success in protecting customers' funds is due to a strategy of removing risk where possible and diversifying across asset classes – a lesson learned from the financial crisis of 2008. 'We have portfolios which, on average, we've positioned to deal with different kinds of outcomes,' he says. 'As far as the main with-profits fund is concerned, there's been a degree of de-risking over the years in connection with that strategic process.

'Generally speaking we don't have big, direct exposures to particular stocks or other assets, and that diversification gives us a degree of protection. There's de-risking and there's diversification, which gives us the confidence that, when going into a wobble like this, we won't be putting out fires.'

Through this strategy, Martin says, Prudential has managed to protect the interests of its policyholders as well as possible given the prevailing economic winds. 'In terms of what kind of assets we think meet our obligations to the required level of risk, we now have a much more conservative investment strategy.' He says the events of 2008 made it necessary for fund managers to reassess the way they approach their work and think about risk in order to protect customers' interests.

'Most of the time with investment, the rules of the game stay pretty much the same, and growth stays roughly the same, with occasional small wobbles,' he says. 'But at times, like now, there is an increasing amount of time spent on assessing what could go wrong and

making sure the fund is robust enough to deal with those situations, which keeps us on our toes. Given the uncertainties, we're doing that much more than I can ever remember in 25 years.

'In a fundamental sense, it's realising the world might not be set up in the way you thought it was when you established your broad investment strategy. So we've had all those discussions, which includes thinking about appropriate hedging strategies and how much risk can be put into portfolios.

'The idea of big investment banks going bust and governments in Europe going bust will change behaviours, and people's perceptions of risk, for a long time. We expect more volatility and uncertainty and we need to position for that and stay nimble. Prudential is a sensible organisation, and the portfolios are positioned comfortably on the side of making sure that we can weather the storm, and the capital and solvency positions are strong.

'We're actively thinking about the world and the risks that could arise.'



'A sophisticated and cautious approach to investment went a long way to ensuring that Prudential policyholders were not hit by the worst of the financial storms.'

Martin Brookes
Portfolio Manager, M&G

Staying in touch

In 2011 Prudential UK began a comprehensive programme of contact to enhance our connection with customers



As part of our ongoing commitment to identifying and satisfying customer needs, in 2011 Prudential UK began new initiatives for improving customer contact.

A Customer Relationship Team was established to provide support directly to customers seeking further information on the important decision of taking income from their pensions. At the same time, we responded to a growing demand for face-to-face advice, especially for investment and retirement planning, by piloting a new service, Prudential Financial Planning.

Through this service, we identified 200,000 priority customers needing sound financial guidance and began offering them advice sessions in their homes. Michael Reed-Smith, Prudential UK's Corporate and Consumer Director, says the programme is aimed at reconnecting with customers to ensure that their

concerns are fully considered by the business. 'It's a very simple concept,' he says. 'It's about reconnecting with our customers in order to develop and stimulate a long-term relationship that's beneficial for both parties.'

'The "Man from the Pru" provided trust, loyalty and a brand that customers relied on and valued. Even now that feeling is still very strong. We're simply re-engaging with our customers to make them feel valued, and to show how we can help them at an important stage in their lives.'

As part of the initiative to connect closely with customers, during 2011 Prudential UK also participated in the relaunched 50+ Show which attracts more than 20,000 visitors to events in London and Glasgow. For the Prudential UK team, the show is a highly effective way of connecting face-to-face with customers and others who are looking for sound advice.

Tracy Harris, Prudential UK's Customer Service Director, says: 'When you look at our policyholders now, our

Above left

The 50+ Show is a highly effective way of connecting face-to-face with customers.

customers are the over-50s. That means getting people ready to understand what going into retirement means, and helping them with that journey.'

This proactive communication is, for Michael Reed-Smith, a crucial tool in understanding customer needs and offering relevant guidance, support, information and advice.

'We deliver a great service experience when a customer contacts us to enquire about their plan,' he says. 'That's the reactive experience. What I'm more interested in is what we do, or should be doing, proactively.'

'So we've been contacting certain segments of our customer base, particularly our individual pensions customers and our investment bond customers, to better educate them and help them understand what they have with us and how it works. Having the name of a person that they know is there to help them and will keep in touch with them has been really well received by the customers we've spoken to.'



It's a very simple concept. It's about reconnecting with our customers in order to develop and stimulate a long-term relationship that's beneficial for both parties.'

Michael Reed-Smith

Corporate and Consumer Director,
Prudential UK

Fifty years of customer focus

Jackson National Life Insurance Company celebrated half a century in business last year by reaching another peak in customer service



In the last 11 years, Jackson has received the World Class Customer Satisfaction award seven times.'

A close focus on customers has been an integral part of Jackson's approach since its foundation in 1961.

Jackson history 50 years

Jackson National Life Insurance Company founded

1961

First fixed annuity sold

1967

\$100m in life insurance policies in force

1970

First flexible premium annuity introduced

1975

Jackson introduces its first variable annuity and enters the group pension market

1995

When Jackson National Life Insurance Company celebrated 50 years in business last year the anniversary could not have come at a better time. As well as marking half a century for the company, 2011 was the year in which Jackson became the third-largest seller of variable annuities in the US, reflecting the company's close attention to the changing needs of customers.

Variable annuities provide greater security than many other products to customers in times of economic uncertainty, which explains their popularity in recent years. Perhaps the biggest step in Jackson's history of customer-focused products was the decision to introduce variable annuities in 1995, and to go from a standing start to becoming the third-largest seller of variable annuities in the US is a clear reflection of how successful this product has been in meeting customers' needs.

A close focus on customers has been an integral part of Jackson's approach since the company's foundation in 1961, when Tony Pasant opened his business in Jackson, Michigan, offering life insurance policies to high-risk applicants with health complications who, due to prevailing practice in the industry, would not normally have been insurable.

Creating new products that meet customers' changing needs has been central to Jackson's approach ever since. In 1975, for example, Jackson developed an early form of universal life insurance and at the same time introduced a flexible premium annuity.

From early in its history the company also showed a willingness to innovate in the way its business was structured, as well as in its product range, in order to offer more to customers. During the 1970s, Tony Pasant moved away from the traditional captive-agent model, in which insurance agents worked as Jackson employees, and instead began selling the company's products solely through independent agents in order to cut costs and transfer more of the value of the products to clients.

Tom Meyer, Director of Legal/Chief Counsel at Jackson, joined the company in 1985 and has seen many of the key moves that have catapulted Jackson to a leading position in its markets. These have involved constant innovation, leveraging core competencies to build new businesses and product lines, and always, regardless of product-line innovation, maintaining a strong and continual focus on meeting customer needs and delivering excellent customer service.

'We have always centred on customer service,' Tom says. 'When we started out we sold only life insurance and fixed annuities. Since then Jackson has evolved to being a well diversified and market-leading annuity provider offering fixed annuities, fixed-index annuities, institutional products and variable annuities which can, because of Jackson's innovative IT platform, be customised into thousands of made-to-order policies.'

The turn of the century also saw the additions of Curian and National Planning Holdings (NPH) to the business, contributing to the trend of diversification in recent years. As Jackson's registered investment adviser, Curian provides innovative fee-based managed accounts and investment products to advisers through a sophisticated technology

platform, enhancing access while complementing Jackson's annuity product lines through retail asset management products.

National Planning Holdings, as an affiliate of Jackson, is one of the largest independent broker-dealer networks in the US, and has played a key role in Jackson's growth story.

Lisa Drake, Chief Actuary with Jackson National Life Insurance Company, has been with Jackson since 1982 and leads SPRINT, the product implementation group that she began in the mid-1990s. She believes the company's flexibility in responding to changes in customer needs has contributed to its success.

'We continually update our products to be responsive to the market and environment,' she says. 'One of our competitive advantages is speed to market. Due to its execution abilities, Jackson is able to respond quickly to changes in the environment and markets by re-tooling its products as desired.'

As well as creating customer-centred products, Jackson takes other steps to help customers with their financial needs, including through its educational programme, 'Retirementology', designed to help people understand how better to prepare for their financial future.

The results for the company are clear, but so are the results for customers. In the last 11 years, Jackson has received the World Class Customer Satisfaction award from the Service Quality Measurement Group (SQM) seven times, as a result of the company's constant effort to improve the service it provides to advisers and clients. In 2011, SQM also gave Jackson awards for Highest Customer Satisfaction in the financial industry, World Class Certification for its call centre and World Class Employee Satisfaction.

Jackson surpasses
\$50bn in assets

2002

Jackson acquires
Life Insurance
Company of Georgia,
doubling its policy
count to 3 million

2005

Achieves 50 years in
business

Becomes third-largest
seller of variable
annuities in US

2011





New products for new needs

Prudential's Asian businesses are developing innovative products that cater to fast-changing customer needs in their dynamic markets

'To Gen-Ys, insurance should be rewarding or something that perpetuates enjoyment.'

Charlie Oropenza

CEO, Prudential Assurance Malaysia Berhad



Left
Pru BSN Ummah, helping Muslim customers fulfil their religious obligations.

As part of Prudential's commitment to responding to changing customer needs, our Asian businesses are continuing to unveil products catering to the requirements of new segments of our markets. As emerging Asian countries develop and new needs appear, Prudential's businesses across the region are finding fresh ways to satisfy those needs.

In 2011, two examples of this commitment from Prudential in Malaysia were the launch of a unique insurance product for young adults, and the continued rolling out of a new protection and savings product designed specifically for Muslim customers.

In August 2011, Prudential Assurance Malaysia Berhad (PAMB) launched PRU*life ready*, an insurance plan based on extensive research among young adults. The research, primarily among people aged between 20 and 25 – so-called Generation Y – who currently make up the largest segment of the Malaysian population, found that young adults in Malaysia generally understand the importance of insurance but are worried that the commitment required by insurance will affect their lifestyles due to their limited resources.

PRU*life ready* is an investment-linked insurance plan that responds to that concern by enabling policyholders to select their coverage according to their ever-changing protection and investment needs as they enter different phases of life.

Charlie Oropenza, PAMB's Chief Executive Officer, said the customers benefiting from the product were largely a new segment of the Malaysian market. 'The Gen-Ys are born into an era where they generally experience a better lifestyle compared to their predecessors due to the improvement in the economy and national affluence,' he said.

'To them, insurance should be more than just a form of protection. It should be rewarding or something that perpetuates enjoyment. Taking the cue from our research, we have designed PRU*life ready* with a special benefit to recognise and reward our policyholders for achieving key milestones in life.'

The plan includes a 'Goal Achievement Benefits' component, under which policyholders are given 500 ringgit when they experience an important event such as marriage, childbirth, doubling of annual salary or buying a new home.

The plan also provides cover in the case of involuntary unemployment, and essential healthcare cover. It encourages policyholders to save regularly to build up a fund that will eventually provide a guaranteed annual payout, and offers an option to automatically increase the initial basic sum assured with a fixed amount every three years, to cater to policyholders' changing needs.

'Our research also revealed that Gen-Ys have a strong sense of gratitude towards their parents,' said Charlie Oropenza. 'In response to that, the plan was designed with a unique feature that helps them take care of their parents in case they are not around to fulfil their filial obligations. A yearly income will be provided to the parents should this happen.'

In 2011 Prudential in Malaysia also continued to receive positive responses from its Muslim customers to its unique family takaful product designed to meet their spiritual, protection and savings needs. Towards the end of 2010, Prudential BSN Takaful, a joint venture between Prudential and Bank Simpanan Nasional Berhad, which provides innovative Islamic financial solutions to the Malaysian market, launched PruBSN Ummah, a product designed specifically to help Muslim customers fulfil their religious obligations; including the pilgrimage to Mecca, which is becoming increasingly expensive.

One of the objectives of the product is to help defray the cost of the pilgrimage, enabling prospective pilgrims to spread the cost and to make additional savings that should help them reach their goal more quickly.

Azim Mithani, Chief Executive Officer of PruBSN, said the product was a sign of the company's close focus on coming up with new products to meet customer needs. 'It is our enduring commitment to our customers to enable them to meet their needs in new and exciting ways,' he said. 'PruBSN Ummah is an exciting and ground-breaking product with features that combine savings and protection, whilst simultaneously helping customers to fulfil their duties as Muslims. This is the first such product in the market that does this in such a comprehensive way.'

In 2011, PruBSN also received the Rising Star Takaful Institution 2011 award from The Asset, a Hong Kong-based publishing and research group. This prestigious award recognises the company as an innovative and dynamic takaful provider in the Malaysian market.

We employ more than 26,000 people from diverse backgrounds and cultures, and the quality of the people we employ is one of the key reasons why our business is successful.

We strive to create an environment that develops and retains committed and motivated people, who are able to achieve excellence and deliver outstanding performance for our customers, shareholders and our communities.

We do this through:

Engagement: ensuring on-going dialogue among our people through forums and surveys and in particular, through a strong culture of leadership and candid feedback between managers and employees; and

encouraging volunteering, through which our employees not only support our communities but can also acquire new skills. **Read more about employee volunteering.**

Diversity: providing opportunities for our people regardless of their gender, ethnicity, disability status, age, religion, caring responsibilities or sexual orientation.

Talent management: encouraging employees to take responsibility for their own development and driving management and leadership programmes to nurture talent.

Performance and reward: operating a reward system to ensure that overall Group and specific business results, as well as individual performance and behaviours, are fairly reflected in each employee's reward, and ensuring that as many employees as possible have the opportunity to benefit from the Group's success through share ownership.

2/3

of employees in the UK own, or have an interest in, Prudential shares through employee share schemes

1st

apprenticeship programme launched at M&G

26,000+
employees

2. Our people

Our principles

- We value and respect employees of all backgrounds.
- We are committed to developing and maintaining a diverse and inclusive culture that rejects any form of discrimination, harassment or bullying.
- We operate in accordance with the United Nations' Universal Declaration of Human Rights, which we promote through our employment policies and practices.
- We believe that in order to attract and retain the best talent, we have to excel in encouraging, developing and rewarding our employees.

2011 highlights

Engagement

- workingmums.co.uk 'Top Employer Awards' recognised Prudential UK for its employee engagement, and the business was also commended for its commitment to encouraging employees to provide feedback on policies such as flexible working.
- M&G was included on the workingmums.co.uk website as a 'top employer'.
- PPM America was named by the Chicago Tribune one of the best places to work in Chicago.

Diversity

- Prudential Corporation Asia continues to be an active member of the thought leadership network, Diversity and Inclusion in Asia Network (DIAN).
- Jackson continued to partner with Peckham, a non-profit community rehabilitation organisation, to offer employment to people with disabilities.

Performance and reward

- Almost two-thirds of our employees in the UK own, or have an interest in, Prudential shares through employee share plans.
- In Asia, almost a quarter of eligible employees and 18 per cent of eligible agents participated in employee share schemes.

Talent management

- We created a consistent approach to our development centres in Asia where we identify the next generation of leaders.
- Two Group-wide Future Forum events took place, bringing together key leadership talent from across the Group to network, develop their thinking and share ideas for application across the Group.

- Our Group-wide Momentum programme continued to recruit talented individuals early in their careers and, through structured development and role rotations, prepare them for senior roles within the organisation.
- The Jackson University was launched in 2011, providing business-specific development activities for employees directly aligned with the business's objectives.
Read more about Jackson University.
- Jackson also launched its LEAP programme, accelerating the development of senior leaders within the business.
- New career development centres were implemented in the UK for middle managers.
- M&G launched its first apprenticeship programme with the 'Working for Youth Campaign' and continued to run its focused learning networks and active talent programmes, including:
 - *The Cornerstone Programme:* developing individuals with the potential to excel among senior management;
 - *The Catalyst Programme:* aimed at more junior talent and focused on developing them into wider and more senior roles; and
 - *The Investor Development Programme:* focused on enabling investment talent to drive investment and business success.
- At Group Head Office, a new development programme was launched - Enhance - offering employees the opportunity to hone their skills, including development in areas such as cross-cultural awareness and building effective partnerships.



Jackson's online university

In 2011 Jackson National Life Insurance Company launched a comprehensive new learning platform offering employees the chance to expand their skills



Prudential's commitment to developing our people took a step forward at Jackson in 2011 with the launch of a new online-based learning platform available to all employees.

The launch of Jackson University opens up a whole new area of flexible learning opportunity to the company's staff, providing them with the chance either to develop their learning within their particular specialities or to explore more broadly across different business subjects.

The design for Jackson University was developed in the last quarter of 2011. Jackson is exploring partnerships with local universities to add to the curriculum within each of the business schools, with the full curriculum being on offer to employees by the end of 2012.

The University now consists of the following business schools: School of Business with concentrations in HR,

Finance and Sales; School of Technology; School of Management; School of General Education and School of Executive Studies.

Aimed at improving career development opportunities for all Jackson staff with a view to increasing recruitment and retention, each curriculum will be available to any staff who want to learn either within their own technical areas of expertise or outside them, and will include the use of self-study, virtual book clubs, case studies and other learning channels, as well as the online component.

Jackson's senior management team is involved in the governance of the university, helping to shape the curriculum.

Dana Rapier, Vice President of Talent Development at Jackson, says the need for the University arose largely from Jackson's growth over recent years. 'Jackson has grown so much that there is a need now to bring together our organisational learning strategy,' she says.

'What we have today at Jackson is a lot of people who know their technical

Below
Jackson's growth has created a need to bring its organisational learning strategy together.

functional space really, really well. One of the goals of having the University is to expand people's knowledge beyond their own areas. So if you're in operations, for example, through the corporate University you will also begin to understand sales and marketing or distribution strategies, and maybe understand some of the technology and finance principles as well, to broaden out.

'We hope that colleagues from associate level all the way up through mid- to senior-level management will complete curriculums both within and outside their disciplines.'

Jackson University is still in its early stages, with the materials being built for use at recruiting events, but Dana has high hopes for when it is fully up and running. 'If in 2012 we get 30 per cent of our people involved, excited and enrolled in curriculums, for me that would be a great accomplishment,' she says.



JACKSON™

**Jackson University
Business schools**

- School of Business
- School of Technology
- School of Management
- School of General Education
- School of Executive Studies

'Jackson has grown so much that there is a need now to bring together our organisational learning strategy.'

Dana Rapier
Vice President of Talent Development,
Jackson

Prudential volunteers in the earthquake zone

Following the 2011 earthquake and tsunami in Japan, Prudential Corporation Asia volunteers spent a week contributing to the relief effort in the disaster area

'Our volunteering initiatives provide colleagues with an opportunity to be involved and support people in times of need.'

Marc Fancy

Head of Government Relations
Prudential Corporation Asia

Japan earthquake



At Prudential, we believe in putting our brand values into action. We encourage employee volunteering to support charitable organisations, and our experience shows that this not only brings advantages to the charities and communities, but is also highly rewarding for those of our employees who participate.

'Our volunteering initiatives provide colleagues with an opportunity to be involved and support people in times of need, to see the wider Pru family across Asia and see that they work for a company that cares for the well-being of the communities we serve,' says Marc Fancy, Head of Government Relations for Prudential Corporation Asia, who is also a Pru volunteer.

One example of this kind of involvement in 2011 was in Japan where, six months after the huge earthquake and tsunami hit the north-east of the country in March, killing nearly 20,000 people, a team of Prudential volunteers travelled to one of the worst-affected areas and devoted a week to helping with relief efforts.

Japan is one of the communities Prudential serves, and our people in the region responded immediately to this devastating catastrophe. The group of 37 volunteers from 10 different countries and 16 different businesses within Prudential Corporation Asia helped clear debris left by the disaster and support people left homeless.

The response of Prudential's volunteers demonstrated how important supporting the communities in which we operate is to our people.

'These initiatives are incredibly enriching,' says Marc, who organised and was part of the Japan Pru Volunteer team. 'There's the opportunity to give, but you also end up receiving a lot. You meet new people, you cross cultures, you bond with friends for life, you share life experiences that you'll never share again.'

In addition to the onsite volunteering, the Prudential Caring Fund, held by Prudential Corporation Asia, was used to help the relief effort through the international charity Save the Children. Donations made by employees were matched by Prudential Corporation Asia.

In Japan the volunteers worked with



Three key areas of activity

- supporting children's activities at a child-friendly space set up in a temporary housing community
- helping sort donated materials at a logistics depot
- participating in wider debris-clearing efforts

local charity Project Yui, which is based in Ishinomaki, Miyagi prefecture, one of the areas worst hit by the disaster. The activities centred on three key areas: supporting children's activities at a child-friendly space set up in a temporary housing community, helping sort donated materials at a logistics depot and participating in wider debris-clearing efforts.

The week presented serious challenges to the volunteers. Four earthquakes struck while they were in the affected area, including one registering 6.1 at 3.30am on the first night of their visit. But Marc says the biggest challenge was simply digesting the scale of the damage.

'The scenes were like something out of an apocalyptic movie,' he says. 'Everything had been wiped out. This was a populated area in a developed country, modern in every sense of the word, and the scale of devastation was just incredible, even six months after the actual disaster. I think that had a very profound impact on the group.'

Amid the different types of work done by the volunteers, Marc says, the most important effect he noticed was the response of the local people, particularly children. 'If you can put a smile on one child's face for just one second, you know you've made a difference. The smiles and

the communal spirit were unbelievable. It transcends cultural barriers.

'The activities with the children were a phenomenal experience. They had been relocated to temporary housing, and although they attended school, there was little for them to do outside school hours given the unsafe environment. The child-friendly spaces provided them with activities in an area that is safe.'

Kyle Benefield, a Hong Kong-based regional manager within Prudential Corporation Asia finance who was one of the volunteers, says their presence alone seemed to make a difference. 'Even if we hadn't done anything, we would have helped with people's lives just by being there and showing our support,' he says.

'When I heard the company was asking for volunteers, I felt compelled to put my name forward. Everyone was very supportive.'

'The most rewarding thing was to be on the ground and to be able to help people in need, but a by-product of that is knowing you work for a company that truly does value what they say – being able to be there for people, helping them to plan for various stages of life, but also to be there to help at the lowest points in life.'

Masahiro Watanabe, Head of Human Resources at Prudential Corporation Asia

Above
Prudential volunteers in action in Japan.

Life in Japan, who co-organised the volunteer programme, is in no doubt about the value of the experience, as well as its direct benefits. 'It was a great opportunity for me to be able to support and participate in this programme as a citizen of the host country,' he says. 'In one respect, this programme is a part of the social contribution activities of a corporation. However, looking at it from a different side, it offered an occasion for training and team-building that transcended the boundaries of the local business units.'

'If it is the heart and passion of people, not knowledge or skills, that drives a business forward, then this programme can be said to have provided an opportunity to grow that driving force.' Dang Thi Hong Loan, one of the volunteers from Prudential Vietnam, says helping in Japan created close contact between colleagues from different countries. 'Not only during the time we volunteered but also during our downtime, we spent time together getting to know each other, having meals, sharing rooms and introducing each other to our unique cultures and places of interest. Our different cultures and languages were not a barrier any more because we were all there for one mission – to help the people of Japan.'

We recognise that protecting the environment is an important part of managing a sustainable business, and that an effective environmental strategy is good both for the planet and for business efficiency.

Our environmental strategy focuses on reducing the direct impact of the properties we occupy as well as the properties we manage through PRUPIM, a top-20 global real estate fund manager, with £15.8 billion of assets under management (as at 31 December 2011).

PRUPIM continues to demonstrate leadership by integrating sustainability into its property fund management activities and believes that taking a lead on responsible property investment protects and enhances returns for its clients.

12%

reduction in water consumption across UK portfolio compared to 2008/09 baselines

ISO 14001

retained at all UK occupied properties

9%

average reduction in carbon emissions at UK shopping centres and ISO 14001-accredited offices compared to a 2008/09 baseline

9

sustainability events held at shopping centres and office buildings to help people discover more about sustainable living

3. The environment

Our principles

- We recognise the importance of minimising the environmental impact of our operations.
- We are working towards global monitoring of the environmental impacts of our occupied properties.
- We aim to deliver superior performance for our property investment portfolio through integrating sustainability into business culture, activities and decision making.

2011 highlights

Occupied properties

- Annual targets have been agreed for all our UK occupied properties:
 - 5 per cent reduction in energy consumption, carbon emissions and waste disposal;
 - 4 per cent reduction in water consumption; and
 - 5 per cent increase in recycling.
- Progress against targets, with the exception of waste figures, is good. We implemented a number of initiatives that reduced energy consumption and carbon emissions, and continue to work with our suppliers to ensure that waste figures are reduced.
- We were ranked in the top quartile (531 out of 2,103 participants) for the UK government's Carbon Reduction Commitment (CRC), a mandatory energy efficiency scheme for qualifying UK public and private sector organisations¹. For further information please see www.environment-agency.gov.uk/business/topics/pollution/126698.aspx. Additional credits were awarded under the CRC for installing automatic meter readers and complying with the BSI Kitemark Energy Reduction Verification scheme, approved by the Environment Agency.
- We retained ISO 14001 environmental management certification for all our UK occupied properties.
- A monitoring trial was carried out at our sites in Asia, enabling us to measure the environmental impact of those offices as a first step to improving our environmental performance in these growing markets.
- In the US we installed:
 - Two high-efficiency, extreme-density air-conditioning units during the construction of a new data centre to increase energy efficiency and cooling capacity; and
 - Low-energy lighting at Jackson's headquarters.

Property investment portfolio²

- In 2011, PRUPIM revised its Responsible Investment Strategy - aligned with its new focus on fund management - around four areas: ensuring portfolio resilience; driving environmental improvements; responsibility in our own operations and building strong relationships with tenants.
- Three of the funds managed by PRUPIM were awarded a 'Green Star' in the Global Real Estate Sustainability Benchmark (GRESB), with only 65 of 340 funds awarded a GRESB Green Star³.
- At UK shopping centres and ISO 14001-accredited offices, carbon emissions intensity was reduced in 2010/11 by an average of 9 per cent compared to a 2008/09 baseline.
- Across the entire UK investment portfolio, water consumption was reduced in 2010/11 by 12 per cent compared to a 2008/09 baseline.
- Nearly 63 per cent of waste from UK shopping centres was diverted from landfill.
- Recognised environmental accreditations - ISO 14001, Energy Star⁴ and Leadership in Energy and Environment Design (LEED)⁵ - cover 1,000,000 square metres of assets under management.
- Nine sustainability events were held to help shoppers and tenants discover more about living sustainably such as reducing food and other waste, and recycling.
- Green travel plans were rolled out across UK shopping centres to communicate the benefits of sustainable travel options, and reduce car use by staff and customers.
- PRUPIM introduced a green Memorandum of Understanding, based on the industry standard version published by the Better Building Partnership, on a trial basis to better engage tenants on environmental matters.
- Further details about PRUPIM's approach and progress can be found in its annual Responsible Property Investment report at www.prupim.com/rpi

¹ To qualify for the CRC, companies must have at least one half-hourly meter, settled on the half-hourly market across the whole organisation, with total half-hourly electricity consumption over 6,000 MWh after usage for transport and domestic accommodation have been excluded.

² Data is based on PRUPIM's reporting year from April to March.

³ Approximately 340 real estate funds with assets worth nearly US\$1 trillion participated in the benchmark, covering around 21,000 assets.

⁴ A joint programme of the US Environmental Protection Agency and the US Department of Energy helping businesses and individuals save money and protect the environment through energy efficient products and practices. www.energystar.gov/

⁵ A suite of rating systems for the design, construction and operation of high performance green buildings, developed by the US Green Building Council.

Measuring impact

A pioneering project in 2011 helped Prudential in Asia begin a new phase in dealing with its environmental effect

‘The Asian trial was a vital and successful first step in managing Prudential Corporation Asia’s environmental responsibilities.’

Prudential is committed to improving its environmental performance all around the world. In every country in which we operate, we aim to manage our environmental responsibilities as effectively as possible.

Our efforts in this direction took a significant step forward in 2011 with the trial of an environmental monitoring programme by Prudential Corporation Asia. The programme was the first step in measuring the energy and water used and the waste created by Prudential Corporation Asia’s operations, with a view to finding out how those measurements compare with equivalent businesses and seeing where there is room for improvement.

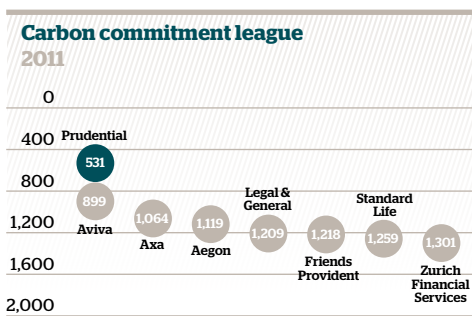
This programme is the latest in a series of environmental improvements that began as a UK-focused initiative six years ago. David Glinski, Group Environment, Health & Safety Manager, says the Asia trial was a vital and successful first step in managing

Prudential’s environmental responsibilities. Prudential’s Asia operations tend to be housed in multi-tenanted buildings where environmental monitoring is not the norm, making this a particularly significant step.

‘We were asked by the board in 2010 to see if we could collect energy, water and waste data for all our offices in Asia,’ he says. ‘We focused on properties that were 20,000 square feet or more, which equated to 45 sites. Most of those are leased, which is quite important, because when we’re leasing buildings in multi-tenanted high-rise office blocks there can be a difficulty in obtaining data and controlling it. Overall that equated to 2.3 million square feet of real estate, which is quite a bit.’

‘The thrust of the project was to find out whether we can collate this information, and we’ve found out that we can. Our colleagues in Hong Kong did a great job in collecting that data. That means we can report this information going forward, and what gets measured we can then influence in terms of setting reduction targets and measures to reduce our impact on the environment.’

Below
Around the world, Prudential aims to manage its environmental responsibilities as effectively as possible.



8%
reduction in UK energy consumption over 2011

The Asia monitoring trial was just one of the Group's environmental achievements for 2011, which included a substantial reduction in energy usage by Prudential UK and a good ranking for the UK business on a league table of companies' carbon dioxide emissions.

In the UK, one of the Group's biggest environmental responsibilities for 2011 was to ensure compliance with the Carbon Reduction Commitment, the mandatory UK carbon emissions reporting and pricing scheme, part of which involves gathering emissions information from the large investment portfolio of buildings held by PRUPIM, M&G's real estate fund management business.

The Carbon Reduction Commitment includes a performance league table, and out of the 2,103 companies listed on the table, Prudential was placed at number 531 in terms of its carbon reduction in 2011. This places Prudential in the top quartile, and importantly well ahead of any of its UK peers, including Aviva, Standard Life and Friends Provident.

Prudential in the UK also reduced its energy consumption by more than 8 per cent over 2011. David Urquhart,

Head of Operations at Prudential UK Corporate Property, says this substantial cut in energy use has been achieved not by any major programmes but by relatively small-scale changes implemented at the local level.

'That's been about very low-cost, sensible measures about how we operate a building,' he says. 'If we can get people on board, hearts and minds, they can help us with that moving forward. It's about helping people do the right thing.'

'Over the years we've looked at what we can do with buildings to reduce energy consumption, water consumption and waste,' says David Glinski. 'But going forward another source of further reductions will be our employees in their behaviours in the office, the way they interact with our waste management and recycling facilities, the way in which they switch off their computer screens, all those sorts of things.'

'All those things are very small in isolation, but when you've got a whole business unit of employees doing them, we can further reduce our impact on the environment.'



‘We always want to make a positive contribution, socially, environmentally and economically.’

Nina Jackson
Director of Sustainability, PRUPIM

Above
The Galleries Shopping Centre, Washington, Tyne and Wear. At all the assets it manages, PRUPIM applies its approach to sustainability to the benefit of the environment, retailers and customers.

Property investment the sustainable way

Driving environmental improvements is helping PRUPIM attract and retain tenants, while making a positive impact on communities

9

UK shopping centres managed by PRUPIM

+10%

waste being recycled at the Galleries Shopping Centre

From retail and leisure properties to offices, industrial sites and hotels, Prudential's real estate fund management business PRUPIM has £15.8 billion of assets under management (as at 31 December 2011). A top-20 global real estate fund manager, it maintains a long-term focus on sustainability and leads its sector in its approach to responsible investment, providing environmental benefits that flow through to customers.

By setting challenging but achievable targets, PRUPIM has made real improvements in the environmental impact of its assets. In 2010/11 alone, the business delivered significant energy reductions across its portfolio. Carbon emissions were reduced by 9 per cent at ISO 14001-accredited offices and 8 per cent at its UK shopping centres, when compared to its baseline year of 2008/09, generating savings of £840,000 that can flow through to its customers.

As part of its portfolio, PRUPIM directly manages nine UK shopping centres and applies its approach to sustainability across these assets to the benefit of the environment, retailers and customers. These centres attract over 123 million visits each year. With that level of footfall, 'green travel' options play an increasingly important role in reducing congestion and carbon emissions.

Surveys were carried out at all nine centres in 2011 to better understand the travel habits of customers and staff, and individually tailored green travel plans were developed for each centre as part of initiatives to publicise travel alternatives. PRUPIM has also coordinated a number of 'Think Green' events, hosted by the shopping centres, some of which were used to launch the centres' green travel plans, and all of which promoted opportunities for visitors to live more sustainably.

These events were also used by local charities and community groups to demonstrate what they do and for the centres to explain to customers how they are reducing their environmental impacts.

It is not just customers who are the focus for PRUPIM's efforts. With the costs – both environmental and financial – of sending waste to landfill having continued to rise over recent years, PRUPIM's UK shopping centres now divert nearly 63 per cent of their waste away from landfill. This equated to a saving of £315,000 in landfill taxes in 2010/11. Nearly 1,500 tonnes – around half of all waste – is also being recycled at ISO 14001-accredited offices.

At The Galleries Shopping Centre, in Washington, Tyne and Wear, the implementation of a new waste strategy has led to an increase of 10 per cent in the amount of waste being recycled, as well as saving £10,000 in disposal costs.

The Mall at Cribbs Causeway, Bristol, which opened in 1998 and has more than 130 stores, is south-west England's largest retail complex. It is managed by PRUPIM and jointly owned by PRUPIM, JT Baylis and Capital Shopping Centres. An active focus on environmental impacts at the Mall has led to significant improvements over the past two years, including a 22 per cent reduction in carbon emissions.

This has been achieved by implementing a range of innovative measures, such as safely reducing car park lighting where possible and better controlling temperatures to reduce heat waste. More than 60 per cent of the centre's waste is currently being recycled, saving £56,000 annually in landfill tax. An 8 per cent reduction in water consumption has been achieved by the introduction of a variety of measures.

'Consideration of the environmental and social impacts of our activities is deeply embedded into our day-to-day decision-making,' says Nina Jackson, Director of Sustainability at PRUPIM. 'Sustainability is at the core of our business. Maximising our contribution and minimising adverse impacts is crucial.'

For us, part of being a long-term business involves a commitment to supporting the long-term well-being of the communities in which we operate. All our businesses have community investment programmes in place, guided by committees that determine where funds are best spent.

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

Across all our businesses we also encourage employee volunteering to support charitable organisations. We recognise that employee volunteering not only brings advantages to the charities we support but also provides development opportunities for our employees.

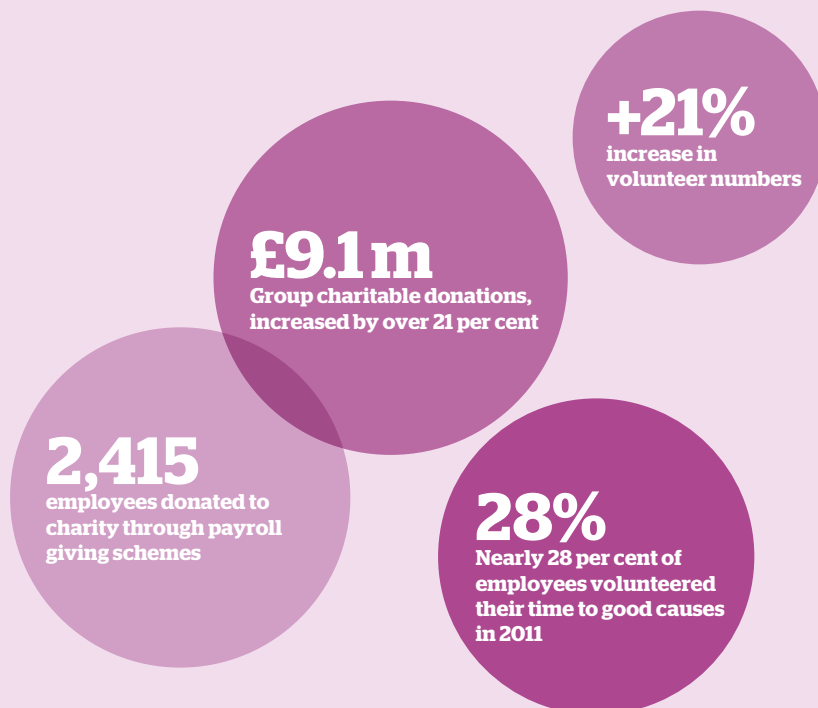
Many of our employees volunteer through our Group-wide volunteering programme, the Chairman's Challenge, now in its seventh year.

The diversity of our markets means that our community programmes vary from country to country, but a common point of emphasis for our community investment is education. This includes financial literacy programmes as well as broader education initiatives supporting and improving social mobility.

Across the Group we are committed to increasing our commitment to education-related charities and, in the UK, we are identifying further initiatives to help tackle youth unemployment through apprenticeship schemes.

The Group also maintains a disaster relief fund which can be activated to support relief efforts following disasters in the countries where we operate. Our commitment to disaster relief often goes beyond financial aid, with our people helping on the ground.

In 2011, the Group continued to be a partner of Save the Children through support for its Children's Emergency Fund. As one of their Emergency Response Partners we are able to support communities around the world when a disaster strikes.



4. Supporting local communities

Our principles

- We support our communities through charitable donations, in-kind contributions, sponsorship and volunteering.
- We work with charity partners to deliver projects and programmes with an emphasis on education (particularly financial capability), and social welfare (particularly projects that support the most vulnerable).
- We focus our efforts on long-term, sustainable projects that have measurable benefits.

Awards

Bronze Award for 'Hong Kong Outstanding Corporate Volunteer Team from Hong Kong Productivity Council' at the 2nd Hong Kong Outstanding Corporate Citizenship Awards.

'Innovative & Outstanding CSR Award' at the Taiwan Excellence Insurance Award 2011 for 'The Wishing Doll Charity Programme'.

Our business in Vietnam was awarded the Third-Grade Labor Medal - signed by the President of Vietnam - to acknowledge the company's excellent contribution to the development of Vietnam's insurance market from 2006 to 2010.

Learn more about how our contribution has helped to bring the social and economic benefits created by insurance to Vietnamese communities.



2011 highlights

Employee volunteering

In 2011, 7,209 employees across the Group volunteered in their communities - an increase of nearly 21 per cent compared with 2010. At Prudential UK alone, 40 per cent of employees took part in volunteering during 2011.

- Since our Group-wide employee volunteering programme - the Chairman's Challenge - was launched in 2006, 133 projects have been supported by our employees. This includes financial literacy initiatives run in partnership with Junior Achievement and Plan International, which have benefited approximately 90,000 young people.
- In 2011, employees across the Group voted 'Learning about Earning' the winner of the Chairman's Challenge - a partnership project with Junior Achievement helping over 200 street children at a safe house in Jakarta to develop basic financial and communication skills. **Read more about 'Learning about Earning'.**

- The other shortlisted Chairman's Challenge projects in 2011 were:
 - *Junior Achievement, Hong Kong:* workshops run by more than 290 Prudential Assurance Hong Kong volunteers provided financial management training to 1,700 students;
 - *Junior Achievement, US:* 176 Jackson employees dedicated 651 hours to educating young people in financial literacy skills;
 - *Plan International, Thailand:* 230 Prudential employees in Thailand conducted educational programmes on financial management and disaster relief, benefiting more than 300 students;
 - *Prudential UK:* 65 employees dedicated 1,884 hours to Age UK's Call in Time programme, which supports over 500 isolated older people.

See <http://www.prudential.co.uk/prudential-plc/cr/supporting-local-commu/chairman-challenge/> for further details about the Chairman's Challenge.

Disaster relief

- In addition to our disaster relief donation - including contributions from colleagues - 37 employees from 10 of our businesses in Asia spent nine days in Japan supporting relief efforts following the earthquake and tsunami.
- When floods devastated large parts of Thailand, employees and agents supported on the ground. This included delivering recovery kits and potable water immediately after the floods hit, as well as helping to rebuild communities.

4. Supporting local communities

Education and young people

- In response to the growing need for financial education for children across Asia, we launched Cha-Ching Money-Smart Kids, the first programme of its kind in the region. This is broadcast on the Turner Cartoon Network - the number one children's channel in Asia - and reaches four million households.
- In China, our five-year insurance education curriculum in schools - in partnership with the Chinese Ministry of Education, the Chinese Academy of Social Science and the Chinese Insurance Regulatory Commission - has now reached more than 26,000 students in seven provinces.
- In 2011, more than 4,500 women in China, Indonesia and Vietnam participated in our 'Investing in Your Future' financial training seminars, bringing total beneficiaries to 32,000 since the programme was launched in 2004.
- For more than 10 years we have supported The Taiwan Fund for Children and Families, which supports children from disadvantaged and vulnerable families. In 2011, more than 360 employees participated in three volunteering programmes: financial literacy camps, a child protection awareness campaign and fundraising for abused and traumatised children.
- For the third year running we were the global partner for the Mosaic Annual Summit - an event which brings together young people from around the world to discuss and share ideas on how to address key challenges facing young people today. In 2011, the event, which took place in Qatar, was attended by 80 young people from 17 countries.
- Over the past 15 years we have sponsored 61 Chevening Scholarships, organised by the Foreign & Commonwealth Office, in China, Indonesia, Korea, Singapore, Thailand and Vietnam, to fund a one-year Masters course at universities in the UK.
- Last year, we provided scholarships in Vietnam for ethnic minorities and disadvantaged pupils and college students, and our business in Thailand supported the Professor Bunchana Sae Atthakor Foundation, which also provides education support for disadvantaged students.
- In partnership with five orphanages in Malaysia, our joint venture - Prudential BSN Takaful - supported the 'A-Book, A-Child, A-Week' project, providing 162 less fortunate children with reading material.
- In the UK, 2012 will mark the tenth anniversary of our partnership with Citizens Advice and we are now a leading partner on its Financial Skills for Life programme. **Read more about our partnership with Citizens Advice.**
- Last year, 9,300 students in 900 schools benefited from the 'Adding up to a lifetime' online financial training tool which we developed in 2006 in partnership with The Schools Network in the UK.
- Through our support for pfeg (Personal Finance Education Group) over the last 10 years, the organisation has been able to maintain its UK quality mark accreditation system, providing assurance for a range of financial capability teaching resources used in schools.
- In 2011, Prudential UK became one of Business in the Community's National Champions for the Business Class programme helping disadvantaged young people in some of the UK's most challenging communities. Through our three-year commitment we will be working in partnership with local schools in Reading, Stirling and Westminster. **Read more about the Business Class programme.**
- Prudential employees from different business units within the UK participated in an intensive 12-month coaching programme, learning how to mentor young people on a one-to-one basis.
- As well as its education support through our global partnership with Junior Achievement - which focuses on work-readiness and building financial literacy skills - our US business, Jackson has a community fund that matches its employees' donations, to approved charities, on a two-to-one basis. This includes donations to children's causes around Jackson sites. **Read more about the Jackson community fund.**
- During 2011, Jackson continued to partner with Big Brothers Big Sisters - the oldest and largest youth mentoring organisation in the US - through employee mentoring for at-risk young people.
- Our UK and European fund management business, M&G, has expanded its partnership with the Social Mobility Foundation, which supports high-achieving young people from low-income backgrounds to get into top universities and professions. In 2011, our support included formal internships and an employee mentoring scheme using the skills and experience of senior staff, as well as a corporate donation.
- In 2011, M&G continued to support children and youth organisations working with disadvantaged young people. This included support for: Leap, a UK charity specialising in youth and conflict resolution; Kids Company, which provides practical, emotional and educational support to vulnerable inner-city children; and Blind in Business, which helps blind and partially sighted students to transition from education to employment.

Indonesian project wins Chairman's Challenge



A safe house for Indonesian street children was voted the winner of the 2011 Chairman's Challenge, a key part of our commitment to tapping into the skills and experience of Prudential people



Left
The safe house has become a sanctuary for children living on the streets.

A partnership between Prudential and Prestasi Junior Indonesia to allow more than 200 street children in Jakarta to benefit from facilities at a safe house was chosen by Prudential employees as the winner of the 2011 Chairman's Challenge.

Launched in 2006, the Chairman's Challenge is a key part of the Group's volunteering programme, with employees from all Prudential's businesses being actively encouraged to take part. Since it was launched, more than 130 projects have been supported by employees in coordination with charity partners.

More than 7,200 employees from across the Group gave up their time during 2011 to help in their communities on a range of innovative projects, including those that are part of the Chairman's Challenge.

From supporting financial literacy to mentoring schoolchildren and supporting the elderly, Prudential staff used their skills and expertise to benefit others, an experience that provides benefits not only for the charities and people involved, but also for the development of our people. We actively encourage colleagues to participate in our volunteering programmes.

In 2011 alone, more than 3,000 employees signed up as Chairman's Challenge volunteers, an increase of 14 per cent on 2010. Chairman's Challenge programmes receive a financial donation from the Group for each employee who registers as a volunteer. Five shortlisted projects are given further funding following an employee vote.

The Challenge is fully supported by the Chairman, Harvey McGrath, who personally selects the five shortlisted projects from a list of 10 chosen by a judging panel comprising external representatives from the Corporate Citizenship Company and the Charities Aid Foundation, and business unit representatives. The Chairman's choices then go to an employee vote. Launching the employee vote for 2011 projects, he said: 'As always, the quality of the projects has been superb, and the time and effort our people have put in has been incredible.'

The winning project for 2011 was 'Learning about Earning'. More than 170 employees from Prudential's Indonesian business gave up their time to help the children to develop basic communication and financial skills. Located in the North Jakarta area, close to where many families live in deprivation, the safe house has become a sanctuary for children living on the streets, or escaping from difficult home environments.

'People from Prudential clearly care about the plight of the less fortunate and are willing to invest their time and energy.'

Robert Gardiner
Director, Prestasi Junior Indonesia



Prestasi Junior Indonesia has established a long-term relationship with Prudential and the volunteers over the past five years in Indonesia, and there are plans to launch further volunteer-led programmes in safe houses to benefit even more young people.

Another potential project is to develop small businesses run by the teenage children of women who work in local markets. They attend school in 'Learning Houses' and the skills and experiences of Prudential volunteers can help them learn about business in a constructive environment.

Nini Sumohandoyo, Corporate Marketing and Communications Director, Prudential Indonesia, said: 'Our awesome staff volunteers gave their all and we are very thankful that we continue to be given the opportunity to give back to the community in Indonesia. It is our responsibility to do good, and that is hopefully felt by the street children who have been our focus. Through the programme, we have seen the levels of

self-confidence and understanding in these children multiply.

'Being voted the winner of the 2011 programme is an honour and the additional funds received will go a long way to making these children, and their families, more aware of their potential, the importance of education and leadership, and, by extension, helping to keep them off the streets.'

Robert Gardiner, Director, Prestasi Junior Indonesia, said the commitment of the Prudential volunteers was inspirational. 'The children could not help but be caught up in the positive energy,' he said. 'People from Prudential clearly care about the plight of the less fortunate and have shown they are willing to invest their time and energy to work towards remedying the situation these young people have found themselves in.'

'The volunteering visits were exceptional examples of selfless engagement and a true investment in the welfare of people living in Jakarta.'

Above

More than 170 Prudential employees gave up their time to help the children.

Other shortlisted Chairman's Challenge projects in 2011

- **Junior Achievement, Hong Kong:** workshops run by more than 290 Prudential Assurance Hong Kong volunteers provided financial management training to 1,700 students;
- **Junior Achievement, US:** 176 Jackson employees dedicated 651 hours to educating young people in financial literacy skills;
- **Plan International, Thailand:** 230 Prudential employees in Thailand conducted educational programmes on financial management and disaster relief, benefiting more than 300 students;
- **Prudential UK:** 65 employees dedicated 1,884 hours to Age UK's Call in Time programme, which supports over 500 isolated older people.

A class apart

Prudential UK is one of Business in the Community's national Business Class champions, helping disadvantaged young people in some of the UK's most challenging communities



3-year

programmes of mentoring, leadership and support

38%

improvement in academic achievement with Business Class involvement



'Being a Business Class national champion shows real leadership and a willingness to take a stand to give our young people crucial support at a critical time in their lives.'

Stephen Howard
Chief Executive, Business in the Community

**BUSINESS
IN THE
COMMUNITY**

As part of Prudential plc's broad commitment to education, Prudential UK is making a lasting impact with a long-term programme to help some of the schools in the most deprived areas in Britain.

Prudential is one of just four national Business Class champions, which, in conjunction with Business in the Community (BITC), are supporting young people from disadvantaged communities.

Helen Ellis, Head of Corporate Responsibility and Community Relations at Prudential UK, says becoming a Business Class champion deepened an existing focus on education projects.

'We have worked in schools on a number of projects and the response has always been extremely positive, so becoming a Business Class champion was an opportunity to take a long-term approach,' she says.

'Our volunteers are able to share their skills and we are committed to a three-year partnership with each school.' So far, 60 volunteers from across the UK business have signed up to work with schools in Reading, Stirling and Westminster.

A core element of the partnerships is an initial assessment process, which looks at specific needs to ensure that the help from the Prudential volunteers is targeted at the most effective areas for long-term benefit. A plan is then formulated for a three-year programme of mentoring, leadership and other support, including giving presentations, attending career workshops, mentoring students and acting as business advisers.

As well as providing benefits for the students, the programme gives Prudential staff an opportunity to develop their own skills. 'This is not an overnight process and it is really important to have a delivery plan. Prudential people are actively encouraged to get involved and there are lots of development opportunities for the volunteers,' Helen says. 'Everyone is very positive about the contribution we can

make and how we are developing our people at the same time.'

The overall aim of Business Class is to help slow the decline in school performance in the UK, as highlighted in international league tables. BITC also says there is also a clear correlation between poverty and educational underachievement, with stark implications for future social mobility.

Research by KPMG in 2010 showed that 85 per cent of secondary head teachers said that it was either very or extremely beneficial to have a business partnership. Cass Business School has independently evaluated Business Class in the North West of England. Results published in December 2010 showed effects including a 38 per cent improvement in academic achievement for students with Business Class involvement and an increase of 40 per cent in students' employability. BITC is hopeful of setting up 500 Business Class partnerships, which could impact the lives of 75,000 pupils in disadvantaged areas.

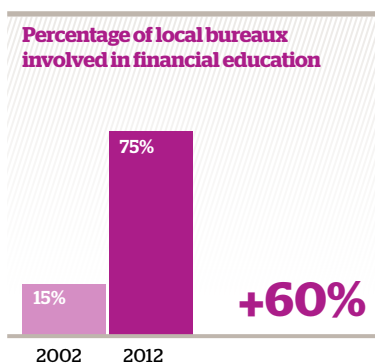
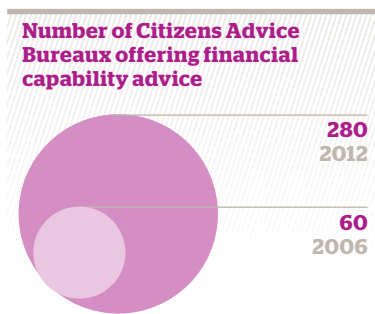
Stephen Howard, Chief Executive of BITC, praised Prudential UK for its work as a Business Class champion. 'I am delighted that Prudential is making such a positive impact and using its people's skills and time to help others in our communities,' he said.

'Being a Business Class national champion shows real leadership in this area and, more importantly, a willingness to take a stand to give our young people crucial support at a critical time in their lives. Developing the talents and skills of our young people is vital and the work Prudential is doing is an important part of building relationships between businesses and the community.'

In 2010, Prudential UK achieved BITC's Community Mark, which was formal recognition of its 'premier league' status for community support. Only 45 companies have been awarded the mark since it was launched in 2007. To qualify, businesses have to pass a series of rigorous assessments designed to test their full commitment to living up to their values.

Capable finance

2012 marks 10 years of Prudential's support for Citizens Advice, boosting financial education across the UK



This year is a milestone in Prudential UK's involvement with Citizens Advice. It is the tenth year in which Prudential has provided financial support to the organisation, which offers free, confidential information and advice to individuals with financial, legal, consumer and other problems.

Prudential's funding – and the contributions it in turn has triggered – has enabled Citizens Advice to dramatically increase the availability of financial education at its locations around the country. Six years ago, just 60 local Citizens Advice Bureaux were offering financial capability advice, but today more than 280 deliver some form of financial education, reaching 250,000 people a year, directly and indirectly.

Prudential's relationship with Citizens Advice is an example of the way we manage our partnerships. Our ethos is to establish long-term relationships with our charity partners to ensure that the projects we support are sustainable and that they continuously improve.

Prudential is the core funder of the Financial Skills for Life programme, which covers all financial education offered by Citizens Advice. Rather than being



'We've been able to multiply the effect of the bedrock Prudential support.'

Jonathan Catherall
Citizens Advice

dedicated to specific projects, Prudential's funding is used to support a core financial capability team who build the capacity of local bureaux to deliver, but are also able to benefit from funds from other contributors.

Last year, Prudential made its fourth three-year funding agreement with Citizens Advice, including for the first time funding for Citizens Advice Scotland, its sister organisation. Gillian Guy, Chief Executive of Citizens Advice, says Prudential's involvement shows the effect that well-targeted contributions can have. 'Our relationship with Prudential is a shining example of what can be achieved through a long-term committed partnership,' she says.

'In the 10 years of their continuous support, Citizens Advice has been able to increase the number of local bureaux involved in financial education from 15 per cent to 75 per cent. Prudential has also been very supportive of our involvement with other private and public sector partners, increasing our reach and influence, and raising the impact of their own investment.'

Alongside funding for financial education, Prudential supports Citizens Advice in its public affairs work, sponsoring the organisation's high-profile annual reception at the Houses of Parliament and working with Citizens Advice to produce

a guide for MPs on what the organisation can offer them, which has recently also been extended to local councillors and Members of the Scottish Parliament.

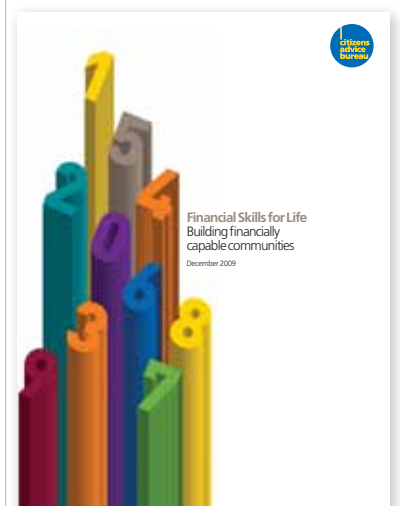
Jonathan Catherall, Financial Capability Programme Manager at Citizens Advice, says the relationship with Prudential has allowed the organisation to keep the issue of financial education firmly on its agenda. 'Our key aim has been to try to get all of our bureaux involved in some level of financial capability work, and we've made incredible strides with that,' he says.

'Because Prudential has been very intelligent about allowing us to engage with a whole range of other funders, to expand and maximise the programme and the reach that we have, we've been able to multiply the effect of the bedrock Prudential support. That's huge for us. The sense of security that we've built up over the years with Prudential means that we can be a lot more strategic and outward-looking.'

From Prudential's perspective, the relationship with Citizens Advice is one part of a broad commitment to financial education, alongside Adding up to a Lifetime – a schools programme funded by Prudential which provides 25 hours of material to teachers – and a new project with Age UK aimed at helping older people deal with their finances.

Above
Thanks to Prudential's support, more than 280 Citizens Advice Bureaux now deliver financial education.

These programmes taken together provide life-long exposure to financial education, says Tim Fassam, Head of Public Affairs at Prudential UK. 'We support financial education at every stage of someone's life,' he says. 'We believe it is not just good for individuals to be more financially capable. It is good for us as a business to have more financially capable customers, and we believe it's good for society as a whole to have a more financially capable populace.'



Three times the impact

Jackson's programme of trebling employee donations to charity is proving a big success



For staff of Jackson National Life Insurance Company, giving to charity can mean a great deal more than simply the value of their donations. Under the company's Jackson in Action programme, staff contributions to charities from an approved list are trebled by the company, enabling employees to maximise their impact on the charities they support.

Jackson staff can choose from a list of more than 60 charities focused on benefiting children and the elderly and, until last year, could make a donation of up to US\$10,000 that Jackson would match on a 2:1 basis.

The scheme has been so successful that this year the ceiling for individual contributions has been raised from US\$10,000 to US\$25,000, turning the maximum contribution from a single



2:1

Jackson's match for donations to more than 60 charities

51.5%

increase in contributions in 2011

employee into a donation of US\$75,000 to the selected organisation and setting the scene for a much higher contribution from both individuals and from Jackson.

The scheme has been highly successful in encouraging donations. Since it began in 2007, a total of US\$1,452,946 in employee donations has been made through the scheme, generating matched contributions from Jackson of US\$2,905,892. In 2011 alone, employee donations were US\$453,734 and Jackson's contributions US\$907,468, the highest levels yet and a 51.5 per cent increase on the year before.

The list of approved charities is compiled in an effort to funnel Jackson's corporate donations in a focused and meaningful manner. It is also updated each year to ensure that it reflects the wishes of Jackson employees and delivers the maximum benefit to the right charities. Any organisation that does not receive a minimum donation of US\$2,000 and contributions from at least three Jackson

staff is removed from the match list at the end of each year, ensuring that only those charities that appeal to employees remain on the list.

Marilynn Scherer, Vice President, Fixed/Fixed Index Product Management at Jackson, uses the Jackson in Action Fund to donate to a number of organisations, but primarily to DonorsChoose.org, a website on which teachers post specific projects at public schools that need support. 'That website is very hands-on, so you choose the project you want, and then you let Jackson know,' Marilynn says. 'When Jackson donates you get an email telling you that their donation has gone through and you go out and direct that money as well.'

'A two-for-one match can really go a long way, so the matched programme gets a lot of traction in terms of folks taking advantage of it. And there's a very big variety of organisations to choose from.'

Sandy Szakach, Head of Credit for Structured Finance at PPM America,

Prudential's US fund management operation, has been donating through the Jackson in Action Fund since 2008. She contributes to a number of different charities through the scheme, but her largest contribution is to the Parent-Child Home Program, which trains people to help children in families that have limited access to educational and economic opportunities.

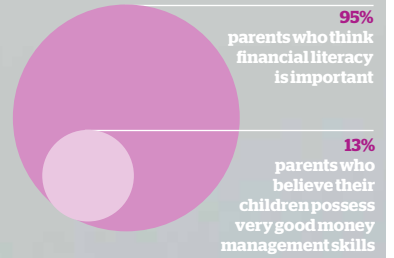
Sandy says one of the great strengths of the Jackson in Action Fund is the way it gets people involved and can turn a small contribution into something much bigger. 'It's really about the leverage,' she says. 'Every month a different group at PPM will select their favourite charity for Jeans Day. An employee will then send out an email saying they will match to the first US\$1,000. You take all of that and send it to Jackson's 2:1 matching programme and it really leverages a small donation. It snowballs and it creates a nice little competition and people get very passionate. It's really inspiring.'



'In 2011, employee donations and Jackson's contributions were at the highest levels yet and 51.5 per cent higher than the year before.'



Prudential Corporation Asia
research



‘The principles of earn, save, spend and donate show children that they have choices with their money.’

Dr Alice Wilder
Children’s education specialist

Money-smart kids

An innovative television and online series created by Prudential is teaching children in Asia how to manage money



Prudential is engaged in projects around the world promoting financial education, and in 2011 Prudential Corporation Asia took our commitment to this vital area to a new level with the launch of an innovative financial education programme for children.

Cha-Ching Money-Smart Kids, the first programme of its kind in Asia, was launched in seven countries last September. A multi-platform programme created to help parents in Asia develop money-smart values among children from the ages of seven to 12, Cha-Ching consists of a series of three-minute musical cartoons featuring six lively characters, supported by an interactive website offering digital resources for parents, children and educators. The programme is being further extended to schools.

The series is broadcast on Turner Broadcasting's Cartoon Network, Asia's number one kids' channel in Hong Kong, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. With a reach of four million households, it is aimed at meeting a need for financial education that emerged clearly from research conducted by Prudential Corporation Asia in those same countries last June.

The research set out to understand Asian parents' perspectives on their children's money management skills. It found that, even though 95 per cent of parents felt financial literacy was important, only 13 per cent believed their children possessed very good money management skills.

The research also found that 98 per cent of parents wanted to be more involved in the development of their children's financial education skills and were looking for tools to support their efforts.

Prudential Corporation Asia worked closely with a number of experts in developing the Cha-Ching concept, resulting in an approach that builds children's understanding of four fundamental pillars of money management – earn, save, spend and donate – and provides opportunities to begin practising these skills.

Among the experts who contributed to the development of Cha-Ching was Dr Alice Wilder, an internationally recognised children's education specialist, who helped to incorporate the 'edutainment' philosophy that children learn through play, that they do what they see and that they learn through practice.

'Children are hugely influenced by what they see, and when it comes to money, what they mostly see is spending,' she says. 'The principles of earn, save, spend and donate show children that they have choices with their money. The programme helps them learn about the concepts and put them into practice. Ultimately this practice will help to build essential and responsible money management habits.'

The four money management concepts are presented through the Cha-Ching band, comprising six characters, each with a different approach to money management. From entrepreneurial Justin and reckless Pepper to sensible Zul and smart Prudence, these characters bring the four themes to life in 10 three-minute animated music videos aimed at connecting



The Cha-Ching website can be found at www.cha-ching.com

Above

Cha-Ching is aimed at meeting a need for financial education that emerged clearly from research conducted by Prudential.

with children in a personal and aspirational way, airing after school on weekdays and on weekend mornings. Best practices for learning were incorporated in each segment, using songs and mnemonics, repetition of concepts, contextualised real-life scenarios and narratives as a hook to encourage children to practice money skills. Topics of the segments include 'Where does money come from?', 'Save to make your dreams for the future come true' and 'Keep some money aside just in case'.

The music videos are supported by an interactive website that features a video game infused with good ideas about money, playback of the music videos, applications and a virtual business that allows children to make money management decisions and understand the impact of their choices. A dedicated section for parents provides downloadable activities, helping to reinforce the key learnings of each segment at home.

The mobile application, the Pocket Money Manager, provides a handy tool for parents to use in working with their children to plan the family budget and track their money cycle.

The content of the Cha-Ching programme was also incorporated in school programmes for children in Hong Kong and the Philippines, in partnership with local NGOs such as Junior Achievement. The episodes were also transformed into Chinese comic strips for publication in a daily newspaper in Hong Kong, extending the reach of the educational content.

By the end of 2011, the Cha-Ching website had received 16 million page views, with visitors spending an average of 16 minutes on the site.

Vietnam - in for the long term

Prudential's contribution to Vietnam's development has been recognised with a medal from the country's government

1m

students competed in the 'Prudential Good Essay, Good Handwriting' contest

5

years' commitment to the second phase of Prudential Vietnam Foundation

'We need to provide support to the local communities.'

Allen Thai MBE

Board member,
Prudence Foundation Vietnam

Prudence Foundation Vietnam
Second phase

- promoting education
- offering wider community support
- promoting healthy living

Prudential's contribution to Vietnam was recognised in 2011 with the award of a medal by the President of Vietnam, the first time a foreign insurance business has been recognised with such an honour.

Prudential Vietnam Assurance was awarded the third-grade Labour Medal to acknowledge the company's contribution to the development of Vietnam's insurance market in the period 2006-2010, a contribution that has helped to bring the social and economic benefits created by insurance to Vietnamese communities.

The award was made at a ceremony at a Prudential Vietnam agency event in Hanoi in November attended by 4,000 of Prudential's Vietnamese agents and staff, Vietnam's Vice Minister of Finance, and the Board members of Prudential plc.

Eight years after making its first community commitment to Vietnam, in 2011 Prudential also dedicated itself to an increased involvement through the Prudence Foundation Vietnam over the next five years.

The Foundation's initial funding provided the anchor for a wide range of programmes focused on improving access to training, encouraging participation in sport and enhancing technology training, and the new funding is set to produce even more impressive benefits.

Allen Thai, who sits on the Prudence Foundation Vietnam's board, says the second phase of the Foundation will build on the success of the first. Its activities for the next five years will be targeted at promoting education, offering wider community support and promoting healthy living, three themes that are based on a commitment to community work that has long run deep within the business.



Above and right
Prudential Vietnam Assurance employees have an impressive track record of volunteering.

The Foundation's activities so far have included awarding scholarships to tens of thousands of financially poor students to support them in their studies, as well as seeing one million junior high school students take part in the 'Prudential Good Essay, Good Handwriting' contest. 'Education has been highlighted as a very important area for the country to focus on, because Vietnam became a "middle-income" country in 2009', Allen says.

'We need to move to the next level. At the moment the country still lacks a lot of human resources, so we try to help out as much as we can by supporting education programmes.

The Foundation's support for communities will also be targeted at a very practical level, with the emphasis on improving quality of life.

Prudential Vietnam employees have an impressive track record of volunteering and encouraging others in their communities to join them. This work includes such activities as supporting blood donation

sessions, giving time to environmental projects such as tree planting, and street cleaning. This work also extends to providing support following natural disasters such as typhoons and flooding.

'We need to be a corporate citizen, not just at country level but at the district level and even commune level, so we need to provide support to the local communities,' Allen says. At the local level, healthy living programmes are aiming to encourage even more people to benefit from sports. 'The sports we support are not large-scale, but smaller-scale and at a local level,' Allen says. 'We just want to help people to be more active and hopefully contribute over the longer term.'

In addition, Prudential has also provided free health check-ups and medicine, free health insurance cards to thousands of disadvantaged people, and medical equipment to provincial hospitals for the care of newborn and premature babies.



How we manage corporate responsibility

We believe that CR is best managed on the ground by our people running the businesses. It is our people who are closest to, and therefore best understand, our stakeholders. However, we are also very aware of the need for good governance which is why global CR priorities, polices and standards are set, and monitored, by the Group.

Across the Group we focus on four global CR themes. These themes demonstrate our commitments and principles to our stakeholders and provide clarity to our businesses on where they should focus their CR efforts and resources in the context of their individual markets.

Global themes			
<p>1. Our customers Using our financial strength, knowledge and skills to provide fair and transparent products, which meet customers' needs.</p>	<p>2. Our people Recruiting, developing and retaining the best people for the best-performing business.</p>	<p>3. The environment Increasing the efficiency of our business by reducing the direct impact of the properties we occupy and the properties we manage as part of our investment portfolio.</p>	<p>4. Our communities Supporting our communities through donations, employee volunteering and long-term partnerships with charitable organisations that make a real difference.</p>

Governance		
The Board	Responsibility Committee	Group Corporate Responsibility team
<p>During 2011, the Group's CR activities continued to be guided by the Chairman, Harvey McGrath. The Board discusses the Group's CR performance at least once a year and also reviews and approves the Group CR report and strategy on an annual basis.</p>	<p>Below the Board, the Responsibility Committee - comprising senior representatives from Group functions and each of our core businesses - is responsible for monitoring the Group's CR activities and reviewing CR policies.</p>	<p>The Group CR team is responsible for: collating data and information for internal and external reporting; publishing the annual CR report; external monitoring and horizon scanning; overseeing CR risk and issues management processes; and benchmarking.</p>

Code of Business Conduct

Consideration of environmental, social and community matters is integrated in our Code of Business Conduct, which is published on our **corporate website**. Our code is reviewed by the Board on an annual basis and sets out the ethical standards expected of our employees, agents and others working on behalf of the Group. It is in force across the Group and compliance by all businesses is mandatory. It is also integrated within the Group Governance Manual and is covered by the annual compliance certification process. We have translated the Code into Chinese, Korean, Thai and Bahasa.

Stakeholder engagement

We recognise the importance of maintaining a regular dialogue with our stakeholders and responding to their concerns. We conduct regular customer research and measure customer satisfaction. We participate in industry-wide surveys and conduct our own stakeholder research. Our businesses regularly survey their employees. We have frequent dialogue with politicians and other public representatives, and we actively engage with shareholders, analysts and potential investors through an active schedule of investor communications.

External reporting

We publish a summary CR review in our annual report as well as this annual CR report, which is available online and in pdf format. Information about our CR principles and policies as well as case studies showing our principles in practice is available on our **corporate website**.

Supply chain management

Prudential recognises that its own social, environmental and economic impacts go beyond the products and services it supplies to include the performance of its suppliers and contractors. It is our policy to work in partnership with suppliers 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 (CIPS) certification, an industry benchmark of recognised good practice.

Payment policy

It is our Group policy to agree terms of payment when orders for goods and services are placed, and to pay in accordance with those terms. In the UK, we have signed up to the Prompt Payment Code, launched in December 2008 by the UK Department for Business, Enterprise and Regulatory Reform. In 2011, our trade creditor days, based on the ratio of amounts that were owed to trade creditors at the year end to the aggregate of the amounts invoiced by trade creditors during the year, were 22 days.

The Prompt Payment Code and its signatories can be found at www.promptpaymentcode.org.uk

Environment, health and safety

Each of our businesses has a senior representative who provides leadership for environment, health and safety, and who attends twice-yearly meetings of our Environment, Health and Safety Council. In a similar way, global operational environment, health and safety issues are addressed through a Health and Safety Forum and Environmental Sustainability Group attended by business unit representatives who have a key environment, health and safety mandate.

In 2011 we retained compliance with ISO 14001 environmental management system standard at all our UK sites.

There were no environmental, health and safety breaches in 2011 and we successfully retained compliance with OHSAS 18001 occupational health and safety management system standard at all UK sites.

Combating financial crime

Prudential values its reputation for ethical behaviour and for financial probity and reliability, forbidding corruption and the paying or receipt of bribes. Prudential seeks to comply with high standards of anti-money laundering, counter-terrorist financing practice and economic sanctions in all countries and territories in which we operate. Failure to comply with international standards and Group policies to prevent financial crime, including fraud, could lead to criminal prosecution, fines or reprimands by regulators. Prudential takes these matters extremely seriously and has established strong policies and procedures to manage these issues, including awareness raising and training, record keeping and compliance monitoring.

Governance structure	Responsibilities
<p>Prudential plc Board</p>	<ul style="list-style-type: none"> • Approves strategy • Approves CR Report
<p>Group Responsibility Committee</p>	<ul style="list-style-type: none"> • Monitors progress • Identifies and develops CR policies
<p>Group CR team</p>	<ul style="list-style-type: none"> • Collates data for internal and external reporting • Publishes annual CR Report • Oversees CR risks and issues management • Benchmarking
<ul style="list-style-type: none"> — Brand council — HR Director's forum — Community forum — Environment, health & safety council & PRUPIM Opsco 	<ul style="list-style-type: none"> • Develops and drives initiatives related to functional responsibilities • Tracks, reviews and assesses ongoing initiatives • Provides data/information for internal and external reporting

Performance data 2011

Global employee diversity data		Gender			Ethnicity		
		Male	Female	Un-disclosed	White	Non-white	Un-disclosed
As at 31 December 2011	Headcount						
Group Head Office including Corporate Property	386	50%	48%	2%	52%	13%	35%
Prudential Corporation Asia	17,443	49%	51%	0%	n/a	n/a	n/a
US Operations (Jackson and PPM America)	4,014	52%	48%	0%	83%	15%	2%
UK Insurance Operations (including PPMS and PGDS)	3,091	53%	47%	0%	63%	4%	33%
M&G Group (including PRUPIM, PruCap, PPM SA)	1,150	57%	43%	0%	77%	17%	6%

Gender and ethnicity data are based on self declaration.

Health and safety performance

Number of employee work-related accidents by calendar year	2011	2010	2009	2008	2007	2006
RIDDOR* (UK)	1	0	1	4	10	4
Accidents (UK)	26	25	24	64	71	109
Accidents (Asia)	8 [†]	–	–	–	–	–

*RIDDOR accidents are those which are more serious and which require reporting to UK regulatory authorities.

†The reporting of work-related accidents in Asia began in 2011 following a Board mandate.

Environment

We assess the direct environmental impact of our investment property portfolio and our occupied properties for all buildings in the UK, and Jackson's main premises and data centres in North America - Lansing, Michigan; Denver, Colorado; and for the first time Nashville, Tennessee. We do this by monitoring energy consumption, carbon dioxide emissions, water consumption, waste and recycling, and, for our UK offices only, business travel mileage.

We have also collected energy consumption data from 45 occupied properties in Asia, where Prudential Corporation Asia occupies approximately 20,000 square feet or more.

Due to changes in the investment properties held in the portfolio during the period, comparisons with prior years' environmental impacts are not meaningful.

Relative contribution of investment and occupied properties to our environmental impact (%)

	Energy	CO ₂ emissions	Water	Waste
Investment	69%	58%	78%	90%
Occupied	31%	42%	22%	10%

Energy consumption (megawatt-hours)

Energy consumption data is taken from supplier invoices that are checked against meter readings. US energy consumption increased owing to the inclusion of our premises in Nashville and the construction of a new data centre.

1 October 2010 to 30 September 2011	2011	2010	2009	2008
Investment properties (UK)	171,401	175,278	209,486	223,567
– includes green energy	95,709	99,254	100,077	105,283
Occupied properties (UK)	32,435	33,163	33,954	37,442
– includes green energy	25,072	26,948	28,222	30,903
Occupied properties (US)	45,004	39,091	43,728	42,070
– includes green energy	–	–	–	–
Occupied properties (Asia)	30,618	–	–	–
– includes green energy	–	–	–	–

Carbon dioxide emissions (tonnes)

For the UK, carbon dioxide equivalent (CO₂-e) emissions are calculated using Defra average rates. We have therefore shown gross (calculated grid average electricity rates) and net emissions. 2008 UK carbon dioxide emissions have been calculated using Defra guidance of the same year. Emissions for all subsequent years have been calculated using 2009 Defra guidance.

For the US, CO₂ emissions are calculated in accordance with EPA guidelines.

1 October 2010 to 30 September 2011	2011	2010	2009	2008
Investment properties (UK)	69,274	69,703	86,696	34,221
Occupied properties (UK)	15,311	15,590	20,171	48,133
Occupied properties (US)	34,312	20,923	24,037	20,616
Occupied properties (Asia)	18,684	–	–	–

Water consumption (cubic metres)

Water consumption is taken from supplier invoices that are checked against meter readings.

The decrease in UK water consumption at occupied properties was due to the repair of a hidden leak in a pipe at our premises in Craigforth, Scotland.

1 October 2010 to 30 September 2011	2011	2010	2009	2008
Investment properties (UK)	446,857	519,700	464,256	671,849
Occupied properties (UK)	50,345	58,067	45,085	29,310
Occupied properties (US)	73,603	76,672	82,849	100,435

Waste and recycling (tonnes)

Waste and recycling data is mainly obtained from third-party service providers (including local councils and contractors) and includes several estimated figures. The amount of waste generated and recycled is understated, as we are not always able to obtain data from occupied premises where the landlord manages waste.

Recycling rates for UK occupied properties have increased following the standardising of the colour code system for waste bins. Waste figures are higher because of the number of significant office moves undertaken.

Waste figures increased in the US owing to the inclusion of our premises in Nashville.

Reporting period 1 October 2010 to 30 September 2011	2011	2010	2009	2008
Investment properties (UK)	15,726	15,601	14,694	11,782
– % diverted from landfill	68.3	45	39.5	31.3
Occupied properties (UK)	1,094	1,033	1,245	1,189
– % recycled	69.6	65.7	62.6	63.8
Occupied properties (US)	608	525	506	692
– % recycled	33.7	28	29.5	6.5

Performance data 2011

UK environmental performance

At the start of 2011, performance targets were set for energy consumption, carbon emissions, water consumption, waste production and recycling. These apply to UK occupied properties. Progress against targets, with the exception of waste figures, is good. We implemented a number of initiatives to reduce energy consumption and carbon emissions, and continue to work with our suppliers to ensure that waste is reduced.

2011 calendar year	Target	Actual
Energy (kWh/m ²)	- 5%	- 7.14%
Energy (kWh/WS)	- 5%	- 7.26%
CO ₂ -e (tonnes/m ²)	- 5%	- 5.49%
CO ₂ -e (tonnes/WS)	- 5%	- 5.61%
Water (m ³ /m ²)	- 4%	- 22.34%
Water (m ³ /WS)	- 4%	- 22.95%
Waste (tonnes/m ²)	- 5%	+ 5.31%
Waste (tonnes/WS)	- 5%	+ 5.19%
Waste recycled (%)	+ 5%	+ 3%
Paper recycled %	+ 5%	- 2.9%

kWh = kilowatt hour; WS = workstation; CO₂-e = carbon equivalent

UK business travel (kilometres)

Business travel data is taken from UK employees' expense forms for private car business travel, and from corporate travel agency statements for rail and air travel. Other travel that is paid through expense claims is not captured, and will therefore be understated.

2011 calendar year	2011	2010
Car	4,908,377	5,520,763
Rail	887,426	965,346
Air (domestic and international)	27,492,451	23,366,727
Total	33,288,254	29,852,836

Community investment (£m)

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

In 2011, the total cash donations and cash equivalent for in-kind contributions (based on the LBG metric) amounted to £9.1 million, of which the direct cash donations were £7.2 million.

It is the Group's policy not to make donations to political parties or 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 2011.

Community investment spend as at 31 December 2011	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m	2006 £m
UK and Europe (charitable cash donations)	2.8	3.5	2.7	1.9	2.2	2.3
Asia and US (charitable cash donations)	4.4	2.2	2.9	1.6	0.9	0.8
In-kind donations across the Group	1.9	1.8	0.9	1.8	1.8	1.6
Total	9.1	7.5	6.5	5.3	4.9	4.7

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