



Modern Slavery

Transparency Statement 2023

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Modern Slavery Transparency Statement 2023

At Prudential, our purpose is to be partners for every life and protectors for every future. It is our mission to be the most trusted partner and protector for this generation and generations to come, by providing simple and accessible financial and health solutions.

We strive to ensure that slavery, human trafficking, child labour or any other abuse of human rights has no place in our organisation or supply chain. We consider protecting against modern slavery and oversight of our supply chain to be an important aspect of our good governance and responsible business practices within our broader Sustainability strategy. This strategy which can be found [here](#).

This transparency statement is published in respect of the following legal entities of Prudential plc, Prudential Services Limited and Eastspring Investments (Luxembourg) Société Anonyme. It is made under the UK Modern Slavery Act 2015 (the “MSA”) for the financial year 2023. The statement details what we have done, and are doing, to deliver on this commitment in relation to expenditure and activities undertaken in support of the UK activities of Prudential plc and its subsidiaries within the scope of the MSA (the “Group’s UK Activities”). We also seek to extend the commitment to preventing the occurrence of modern slavery and human trafficking in our organisation or supply chains beyond our businesses which are within the direct scope of the UK-based legislation, to our global businesses where we exercise management control, where to do so would be practicable, and compliant with local law and regulations. We also seek to utilise the influence or leverage we may have in respect of entities in respect of which we do not have management control, as well as our supply chain, to fulfil this commitment.

Our business structure

Prudential plc provides life and health insurance and asset management to around 18 million customers across 24 markets in Asia and Africa (“**Group**”). We are headquartered in Hong Kong and are served by around 68,000 average monthly active agents and more than 200 bank partners. In Asia, we provide savings and protection products in many markets challenged by low insurance penetration and a pension funding gap. In Africa, we are building businesses in some of the world’s most under-penetrated markets. Our largest businesses are based in the Chinese Mainland, Singapore, Hong Kong, Malaysia, and Indonesia. Further details on the Group can be found at this [link](#).

Modern Slavery

We seek to undertake measures to prevent Modern Slavery in our business. We have assessed that the risk of Modern Slavery occurring within the Group’s core business of financial services, and specifically the Group’s UK Activities, is low due to the categories of goods and services we buy. We make significant efforts to detect and prevent Modern Slavery occurring within our supply chains which support the Group’s UK Activities.

Our policies

Group Code of Conduct

We require the highest possible standards of professional and ethical conduct of all our people, which is reflected in the organisational policies that we adopt. Our Group Code of Conduct (the “**Code**”) highlights the ethical standards that the Board of Directors (the “**Board**”) expects of itself, our employees, our agents and others working on behalf of the Group. It is supported by a set of Group-wide principles and values that define how the Group expects business to be conducted in order to achieve its strategic objectives. It applies to all Group entities, where practicable and where compliant with local law and regulations. The Code can be found at this [link](#).

Group Governance Manual

The Code sits at the heart of the Group Governance Manual (the “**GGM**”), our internal governance framework that sets out the principles by which we conduct our business and ourselves. The GGM presents our Group-wide approach to governance, risk management and internal control, and is subject to regular review to ensure that we meet the expectations of our stakeholders. Each business where we exercise management control (which includes all the Group’s UK Activities) conducts the annual risk and control assessment (RCSA), which includes the key policy requirements. In addition, there are existing processes for reporting policy breaches and exemptions including defining corrective actions to address instances of non-compliance.

The following GGM policies continue to support us in meeting our MSA responsibilities:

Group Third Party Supply and Outsourcing Policy

Our Group Third Party Supply and Outsourcing (GTPSO) Policy forms part of our GGM. The policy sets out our position on supply chain management, outlining our approach to due diligence, selection criteria, contractual requirements, and ongoing monitoring of our supplier relationships. Implementing the GTPSO policy helps us meet both the expectations of our stakeholders and our legal and regulatory requirements. The GTPSO Policy ensures that third parties go through a consistent onboarding process and are subject to standardised monitoring and oversight activities. In 2023, we further enhanced our existing GTPSO Policy to drive compliance to our third-party risk management due diligence and risk assessment system (“**TPRM system**”), to ensure that the Group’s Third Party Risk Management (TPRM) framework is consistently applied, as explained in more detail below. The policy was further additionally enhanced by introducing an updated third-party risk assessment methodology that is clearer in identifying elevated third-party risks, strengthens risk monitoring and remediation processes, emphasises market tendering requirements and further clarifies the roles and responsibilities of business contract owners to mitigate risks across the company. These enhancements are designed to strengthen third-party risk identification, mitigation and monitoring controls, and increase procurement integrity requirements. Ultimately, this will support the selection of suppliers on the basis of their ability to provide long-term resilient performance for the Group. These new changes to the GTPSO Policy took effect on 1 January 2024.

Furthermore, all our material suppliers are subject to annual and quarterly performance reviews, ongoing risk assessments and compliance attestation activities. Our third-party management processes are overseen by the Third Party & Outsourcing Working Group (TPOW), and onward by the Group Executive Risk Committee (GERC) and Group Risk Committee (GRC).

The **Responsible Supplier Guidelines** also align to the Group’s Sustainability strategy by promoting development of sustainable and ethical supply chains, with a particular emphasis on conducting due diligence on material suppliers’ framework to human rights (consistent with the United Nations Universal Declaration of Human Rights), ethical and safe labour practices and local labour laws for supplier arrangements that may be considered to have exposure to Modern Slavery related risks. More details can be found below in the paragraph covering our supply chain and applicable risk assessment and due diligence measures.

Where practically possible, we seek to leverage anti-slavery provisions in material contracts we sign out of the Group Head Office in Hong Kong and London. These provisions require our suppliers to comply to any applicable anti-slavery and anti-harassment laws and regulations, including the United Nations Universal Declaration of Human Rights. These provisions also require our suppliers to implement and maintain effective and appropriate due diligence, audit and training procedures for supplier staff and ensure there is no slavery or human trafficking in their supply chains. Where practically possible and appropriate, we are seeking to incorporate these provisions in our contractual arrangements in more of our markets in Asia and Africa in the future.

The MSA defines “slavery and human trafficking” as the offences of “slavery, servitude and forced or compulsory labour” and “human trafficking”, which together constitute “**Modern Slavery**” for the purposes of this transparency statement.

Our policies *continued*

Group Resilience Policy and Health & Safety Standards

The Group Resilience Policy and its Health and Safety Standards provide a framework for our local businesses to establish, implement and maintain comprehensive health and safety measures that prevent work-related physical injury and mental illness. The Group Chief Operating Officer, Group Risk has overall responsibility for the Group health and safety programme, which is coordinated by the Group Security & Resilience team. Health and safety representatives in our local businesses are responsible for implementing and managing the programme and measures daily, and for reporting progress in quarterly management information reports and annual attestations. The Group Security & Resilience team is assigned day-to-day operational management responsibilities for the Group Resilience Policy, aggregates the data from local businesses and reports its findings to the Group Chief Operations Officer, Group Risk cross-functional working groups and, ultimately, the Risk Committee.

Our policy and standards are aligned with the ISO 45001:2018 occupational health and safety family of international standards, ensuring:

- A risk-based approach to health and safety management;
- Compliance with current legislation where we operate worldwide;
- That significant health and safety risks are identified, assessed and controlled; and
- That our programmes adapt, improve and tackle changed or emerging workplace health and safety risks.

These measures seek to continually improve our health and safety performance, reputation as a safe place to work, raise employee participation and morale to help us meet our strategic and business objectives. For more information on our Group Resilience Policy please contact us.

Through our Group Resilience Policy and Health & Safety Standards, we operate a holistic, risk-driven health and safety management process that seeks to ensure the best working environment for our people in all business units. We prioritise the prevention of injury and ill health, and the reduction of health and safety risks to employees, contractors, visitors, and any others who may be affected by our business operations.

We aim to ensure that our health and safety management processes meet and exceed regulatory and statutory requirements, follow best practice where possible, and are integral to the way in which we manage our business operations.

Group Responsible Investment Policy

Our Group Responsible Investment Policy is updated annually to incorporate latest market developments and continuous evolution of our responsible investment approach, requiring our asset managers to screen the portfolio on additional themes, which include human and labour rights topics. The objective is to enhance overall Group-level expectations related to responsible investment, and better guide our local businesses and asset managers on how to consider ESG factors in investment activities.

Group Speak Out Policy

Our **Group Speak Out Policy**, covering confidential reporting – We operate ‘Speak Out’, our Group-wide whistleblowing programme, across all our businesses over which we exercise management control. Speak Out is available both internally and externally to staff, contractors, vendors, agents, customers and the public, enabling reporters to raise concerns in a choice of languages through web and hotline channels. Matters raised through Speak Out may include concerns about human rights violations, such as issues relating to Modern Slavery. Concerns are recorded by an independent third party and investigated by internal appropriately trained and skilled investigators that are independent of the businesses they investigate. Whistleblowing reporting is overseen by our Group Audit Committee. For more information, please follow this [link](#).

Our supply chain

Prudential uses suppliers to focus on its core business strengths and reduce costs. In 2023, we spent about USD 1 billion, and engaged over 13,000 suppliers across the Group. This risk of Modern Slavery occurring within the Group's core business of financial services is low due to the categories of goods and services we buy. As an international insurance and fund management services group, our spend consists mostly of professional and advisory services, financial services, IT services, software and cloud applications related suppliers. In common with our financial services peers, we are not a major consumer of low-cost manufactured or agricultural goods, where Modern Slavery risks are more inherent.

Our due diligence and risk assessment activities across our Group-wide footprint are detailed below.

With Prudential's pivot to Asia and Africa, we are increasingly widening the scope of our Modern Slavery due diligence and risk assessment measures beyond the immediate scope of the Group's UK Activities. Our TPRM system has been deployed across all our markets and is increasing the coverage of suppliers subject to these measures. Prudential remains committed to the continued development of our approach to Modern Slavery including the identification, monitoring, reporting and mitigation of any identified Modern Slavery risks in our supply chain.

Our risk assessment and due diligence measures

Our experience to date continues to highlight that Modern Slavery due diligence and risk assessment measures are not standard business practices in many of our markets across Asia and Africa. As a result, we will need to invest more time in training, awareness and development of skills to our businesses and our suppliers. We are also continuing to listen to the internal feedback we have received on our approach and continue to take steps to improve risk assessment methods and provide more guidance to our procurement and risk teams across our businesses.

- Our supplier onboarding and payment processes include the screening of suppliers for “negative news” at onboarding and prior to payment, to detect any adverse media, which also refers to information sources for human trafficking.
- Our Group-wide TPRM system continues to strengthen our visibility of third-party risks such as information and technology security concerns, data privacy, anti-bribery and corruption and business continuity and resiliency risks. To date, the TPRM system has facilitated the assessment of more than 3,400 suppliers, representing 27 per cent of all our suppliers across the Group. We expect to see coverage to continually increase as the system continues to be embedded and operationalised across our businesses, and as we reperform our due diligence with existing suppliers on a periodic basis in line with our policies and procedures.
- Aligned to the principles of our Responsible Supplier Guidelines, we also apply measures to understand a supplier's framework on ethical labour standards, health and safety and equal opportunities. Through our TPRM system, we ask these questions of those suppliers that are assessed to be material and/or provide services in areas that are deemed to pose higher Modern Slavery risks, such as building services, cleaning services, guarding services, catering services, events management, and branded goods not for resale. In 2023, out of 1,771 suppliers, 482 met the criteria for these assessments, of which 103 warranted further reviews on a supplier's position with respect to ethical labour standards, health and safety and equal opportunities.
- Our Request for Proposal templates sent to suppliers incorporate our expectations and provisions with respect to Modern Slavery, and these are used in all Group material tender activities.
- As a Group, we recognise the need to enhance/improve our Modern Slavery risk mitigation and remediation approach, and in particular the governance and processes to follow when a Modern Slavery related risk or issue is identified with a supplier. In 2023, we commenced an initiative to enhance the effectiveness of our third-party risk management governance and policies with a focus on building risk awareness, increasing third party risk management resourcing and capabilities, consistency in embedding of frameworks, enhancing the effectiveness of third-party risk controls and delivering process efficiencies.
- As part of this, we are enhancing our processes to facilitate visibility of risk identification and risk measurement. As part of building a better understanding of the risk profile of our suppliers, we conducted a pilot study of our top 100 suppliers in FY23 (representing USD 590 million annual expenditure) utilising an external ESG research and analytics platform. We were able to assess information available on 41 of our top suppliers. Focusing on social controversies and Modern Slavery risks, our analysis revealed that these suppliers are generally considered to be low risk. Please refer to the case study for more details on the pilot study.
- Looking forward to 2024, we expect to continue the initiative to enhance our third-party risk management governance and frameworks. During this time, we will adopt an iterative approach to road testing enhancements that increase visibility of modern slavery risks, as well as articulate our risk appetite and mitigation methods clearly. A working group has been established with our Singapore Life business to road test new Modern Slavery risk identification and mitigation tools. Learnings from these road testing activities are expected to inform the development of a more automated and robust process for deployment across all our markets. Furthermore, we are considering increasing sustainable supplier capabilities to inject additional expertise as part of overall enhancement efforts.

Our approach to responsible investments

As a life insurer, asset owner and asset manager, Prudential is a long-term steward of its clients' assets. We have a responsibility to our clients, the communities and environment in which we operate to apply ESG considerations to our investment decisions and to our fiduciary and stewardship duties.

We ask our asset managers to incorporate relevant ESG requirements into their responsible investment process. It seeks to identify and account for such issues into both its investment decision-making processes and the way it conducts stewardship activities.

Our responsibility to steward our clients' assets is reflected both in our governance and in our Group Responsible Investment Policy, which outlines our expectations of all our businesses.

It sets out clear criteria for screening investment portfolios on material ESG issues, identifying and assessing sustainability-related risks, and processes for ongoing corporate engagement to address such risks. For human rights topics, along with other priority themes such as decarbonisation and biodiversity, we have identified criteria for engaging or excluding companies involved in certain activities. Criteria such as the United Nations Global Compact (UNGC) are used to inform engagement focus on human rights.

Our hiring practices

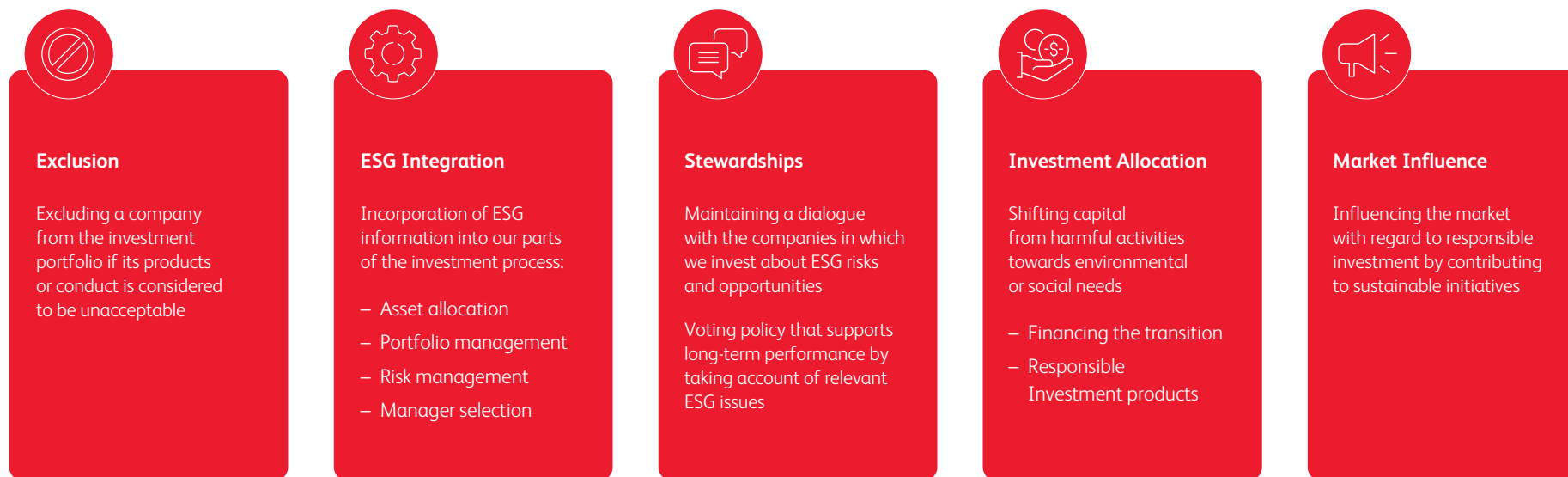
To prevent the direct introduction of labour practice issues into the Group, our own Human Resources department's hiring practices globally prevent the hiring of staff without the proper completion of both right-to-work checks and supporting background checks. This is with a view to ensuring that we do not introduce Modern Slavery issues into the organisation via our own workforce.

Our training

Every year, our employees worldwide are required to complete mandatory training reflecting the regulatory and legal obligations of the Group. We also require our employees to confirm compliance with the Code.

Furthermore, in 2023, our Group Procurement team conducted Modern Slavery risk awareness training in partnership with the Remedy Project, a not-for-profit organisation that focuses on responsible business conduct, mechanisms for the remediation of worker grievances on supply chains, and combatting trafficking in persons, forced labour and other forms of exploitation. The training sought to provide an overview of Modern Slavery, and raise awareness of where and how these issues may exist in the Group's supply chain, along with an overview of how these risks can be mitigated, and monitored and the type of positive actions that can be taken to remediate. 180 staff attended the training across our markets in Asia and Africa, with representation from procurement managers, risk assessors, legal teams, and sustainability representatives across the Group.

Our current approach to responsible investment consists of various pillars as illustrated in the diagram below.



Case study

The following case study illustrates our pilot study to enhance the visibility of Modern Slavery risks and social controversies on our top 100 suppliers in FY23 utilising an external ESG research and analytics platform. The Group's top 100 suppliers represent USD 590 million annual expenditure (59 per cent of total procurement spend in FY2023). The analysis focused on 41 suppliers (which roll up to 37 ultimate parent companies) rated on the external ESG research and analytics platform, which together comprised 33 per cent of total FY23 procurement expenditure. The analysis revealed that these key suppliers are generally low-risk and there are minimal concerns over Modern Slavery.

Below are a few key takeaways:

- The weighted average (by spend) ESG rating of rated suppliers was "A". This suggests that these companies are generally considered "Average" or "Leaders" by the ESG rating provider in the management of ESG risks and opportunities in their businesses. Note that ESG ratings encompass all three ESG pillars.

- By count, 92 per cent of rated-suppliers were domiciled in developed markets where labour and human rights protection are well regulated and understood.
- Rated suppliers headquartered in emerging markets had a weighted average 'A' ESG rating (by spend).
- None of the rated-suppliers have been flagged for being directly involved in very severe ongoing social controversies.
- The weighted average score (by spend) of rated-suppliers are green on both labour rights controversies and human rights controversies, signifying minor to moderate severity of controversies were identified.

Our reporting and governance

Our Board Responsibility and Sustainability Working Group oversees all our Sustainability initiatives, commitments and obligations, including the production of this statement and related work.

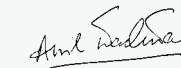
Our effectiveness rating

We recognise the need to monitor the effectiveness and continued enhancement of our approach to identifying and addressing Modern Slavery risks. Thus, the following volumes and metrics reported for 2023 provide an overview of our progress and a basis for continuous improvement.

- 180 staff across Asia and Africa attended Modern Slavery risk awareness training, with representation from procurement managers, risk assessors, legal teams and sustainability representatives.
- 1,771 suppliers were risk assessed, of which 482 met the criteria to respond to our Responsible Supplier Guidelines aligned ESG due diligence questionnaire. 103 suppliers warranted further reviews on their position with respect to ethical labour standards, health and safety and equal opportunities.
- 41 of our top 100 spend suppliers (representing 33 per cent of the Group's annual procurement expenditure) were rated via an external ESG research and analytics platform. The analysis revealed these suppliers are generally low-risk and there are minimal concerns over Modern Slavery.
- We have not been investigated or prosecuted by any outside parties, nor have we needed to instigate an investigation specific to slavery, trafficking or child labour offences.
- We had no reports to 'Speak Out', our online and telephone confidential reporting service, involving Modern Slavery issues or concerns.

Approval date

This transparency statement was considered by members of the Responsibility and Sustainability Working Group and was approved by the main Prudential plc Board on 22 May 2024. Sign-off of this statement was conducted in the boards of Prudential Services Limited, and Eastspring Investments (Luxembourg) Société Anonyme, respectively, between 18 May 2024 and 21 May 2024, subject to approval of the statement by the main Prudential plc Board.



Anil Wadhvani,
Chief Executive Officer, Prudential plc

For the purposes of the MSA, this statement covers the following entities: Prudential plc, Prudential Services Limited, Eastspring Investments (Luxembourg) Société Anonyme.



Prudential public limited company

Incorporated and registered in England and Wales

Registered office

1 Angel Court
London
EC2R 7AG

Registered number 1397169

Principal place of business

13th Floor
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

www.prudentialplc.com

Prudential plc is a holding company, some of whose subsidiaries are authorised and regulated, as applicable, by the Hong Kong Insurance Authority and other regulatory authorities. The Group is subject to a group-wide supervisory framework which is regulated by the Hong Kong Insurance Authority.

Prudential plc is not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America, nor with The Prudential Assurance Company Limited, a subsidiary of M&G plc, a company incorporated in the United Kingdom.

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