



PRUDENTIAL

Acting Responsibly

Corporate Responsibility Report 2007/2008

There's
more
to Prudential

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About Prudential plc

Prudential plc is an international retail financial services group with significant operations in Asia, the United States and the United Kingdom.

Our purpose is to promote the financial well-being of our customers and their families, with a particular focus on saving for retirement and security in retirement.

The Group is structured around four main business units: Prudential Corporation Asia, Jackson National Life Insurance Company, Prudential UK and M&G. These are supported by central functions which are responsible for leading Group strategy, cash and capital management, leadership development and succession, reputation management and other core Group functions.

Our Corporate Responsibility approach mirrors that of the Group's federal model, with local activity being delivered by the business units, and Group providing an overarching programme and the expertise in those areas for which it is best equipped and responsible. We do not impose a one size fits all approach across all our business units, as this is not appropriate for all local environments.

This report reviews activities in 2007/2008 across Prudential plc and covers our four directly managed businesses
All data as at end of December 2007

Group Chief Executive

Founded in 1848, Prudential has grown from modest beginnings in the UK to become an international retail financial services group with a particular focus on saving for retirement and security in retirement.



Mark Tucker
Group Chief Executive, Prudential plc

We have successfully developed strong businesses in the UK, the US and across Asia, as changing demographics accelerate the demand for life insurance and other long-term savings and protection products.

Our ambition is to promote the financial well-being of our customers and their families, by providing products and services suited to their needs. We also play a responsible role in the broader community by constructive exercise of our influence as a large-scale investor and by drawing on our expertise to promote a wider understanding of how best to meet individual saving needs.

OUR REPUTATION

We operate across the world under a number of different trade names but it is important that we maintain a single set of Prudential values, and act to high standards of integrity and financial competence across all of our businesses. Our corporate values play an integral part in the success of our businesses worldwide.

We value the Prudential name and reputation and maintain a dialogue with our stakeholders. This helps us to shape our business and corporate responsibility strategies and to develop the non-financial key performance indicators that are an intrinsic part of the way we operate. These are identified within this report, under our seven key pillars; customers, community, employees, environment, financial capability, shareholders/investors and supply chain. This year's CR report has been structured to reflect our progress in each of these areas.

FINANCIAL CAPABILITY

The Group's core financial education programme remains focused on the need to play our part in enabling consumers to make the right decisions for their individual financial needs.

Financial capability remains at the heart of our Group-wide corporate responsibility programme, as it has been since 2001. We work with governments, regulators, non-government organisations and industry colleagues in many countries to help shape public policy on this important issue. In 2007, we responded to two UK Government consultations, one on financial capability and the other on generic financial advice.

In the UK, our Chairman, Sir David Clementi, sits on the UK regulator's Financial Capability Steering Group, which is driving the UK's National Strategy.

Our financial capability programme in the UK includes an important focus on young people. We therefore welcome the significant progress this year in the announcement that, from September 2008, financial capability will feature more strongly in the school curriculum in England, with a new programme of study called Economic Well-being and Financial Capability. This is an important step towards the goal of fully embedding financial capability in schools, so that children develop as well-informed and questioning consumers and learn to manage their finances effectively.

ve's Statement



In the US, Jackson committed, in December 2007, to support JA Worldwide® (Junior Achievement) as the title sponsor of the 'Junior Achievement Presents the NEFE High School Financial Planning Programme'. Junior Achievement and NEFE (National Endowment for Financial Education) have been working together to expand the outreach of the NEFE programme, a practical and non-commercial course that introduces students to the importance of making wise financial choices.

In Asia, our financial capability programme 'Investing in Your Future,' continues to flourish. Over 14,400 women in China, Vietnam and India, have benefited from this financial planning training, since the programme was launched in 2004. Building on this, in China, Prudential has collaborated with the China Insurance Regulatory Commission (CIRC) and the Chinese Academy of Social Science (CASS) to develop an insurance education programme targeting schools across China. In 2007, the pilot programme was launched in high schools in Beijing, Dalian and 12 other major cities.

OUR PEOPLE IN THE COMMUNITY

We strive to create a working environment in Prudential that attracts, retains and motivates our people and ensures that we are committed to delivering top performance for our customers and shareholders. We understand that, to support our aim of being a leading international financial services company,

we need to have employees with the right skills, in the right numbers, in the right places, at the right time – quite a complex matrix to manage.

Our people continue to play their part by participating in community projects to improve their environment. Our Group-wide Chairman's Award programme now has over 2,000 participants, volunteering on more than 50 projects in our markets around the world.

At the end of 2007, our employees again voted for the volunteering projects that they felt had made the greatest impact on their local community. Plan International Thailand emerged as the winner, for its Reforestation and Forest Conservation project, supporting communities in 16 villages across the Chiang Rai region. I would like to take this opportunity to congratulate our Thai colleagues, and indeed all of those colleagues who participate in the programme – and to encourage others to join in.

ENVIRONMENT

Public concern about the need for an adequate response to the challenges of climate change continues to gain momentum and I am pleased to report that we are making progress in addressing this issue.

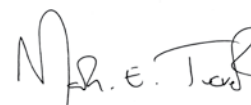
In September 2007, Prudential, and 37 companies from the financial services sector endorsed the ClimateWise principles. Developed and led by leading

global insurers, reinsurers, brokers and asset managers, the principles promote positive action on climate change. Although we will be initially reporting on our performance against the principles from a UK perspective, we are working, where possible, towards a Group-wide reporting framework.

For the first time, this year's CR report carries environmental data on our US operations. We are working to build on this in next year's report by reporting on our Asian businesses.

In *Acting Responsibly*, our sixth annual CR report, I believe we demonstrate that Prudential takes its corporate responsibilities seriously, and that we view our CR programmes as integral to how we do business. We have highlighted just some of the programmes that are already being implemented and indicate priority areas where we want to make further progress.

I hope this document provides clarity around our approach, but please contact us where you have questions.



Mark Tucker
Group Chief Executive, Prudential plc

Our Business



Prudential Corporation Asia



"Our business is about people helping people. It is a natural extension of our credo 'Always Listening, Always Understanding' for us to look out into the communities in which we operate and find meaningful ways to address the needs of those communities."

BARRY STOWE

Chief Executive, Prudential Corporation Asia

Prudential is the leading European-based life insurer in Asia in terms of market coverage and number of top five market positions, with more than 400,000 employees and agents. It has life and asset management operations in 13 markets.

Prudential's fund management business in Asia, with £37 billion of funds under management (31 December 2007), has expanded into 10 markets, including Asia and the Middle East. It is the second largest retail fund manager in terms of assets sourced in Asia (excluding Japan).

Prudential Corporation Asia provides a comprehensive range of savings, protection and investment products tailored to the needs of each local market. It pioneered unit-linked products in Singapore, Malaysia, Indonesia, the Philippines, Taiwan and Vietnam.

CUSTOMERS

Approximately 10 million

LOCATIONS

China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Vietnam and United Arab Emirates

WEBSITE

www.prudentialcorporation-asia.com



Prudential UK and Europe



"Our business is about making a positive difference to our customers. We seek to treat our customers fairly and with respect at all times. We work with these same aims in our local communities around us and are proud to be involved with and support community projects that support these aims."

NICK PRETTEJOHN

Chief Executive, Prudential UK and Europe

Prudential is a leading life and pensions provider in the UK. We continue to focus on the market for retirement savings and income by selectively competing in areas where we can generate attractive returns, based on our manufacturing strengths and brand.

We have a unique set of assets and proven capabilities within our retail and wholesale businesses and our priority is to focus on the considerable strengths we have within the UK business. These include our longevity experience which allows us to participate very strongly in the retirement income market, as well as our investment track record which means that we have a distinctive proposition to offer in the retirement savings market. We aim to capitalise on these two very considerable assets alongside our brand and financial strength.

CUSTOMERS

Over seven million

LOCATIONS

London, Reading, Stirling, Dublin, Mumbai

WEBSITE

www.pru.co.uk



Jackson National Life Insurance Company



"As Jackson continues to experience profitable growth, it is important that we increase our efforts to enrich the lives of individuals and families in the communities where we operate our business.

Jackson has historically been a strong supporter of community organisations across the US, and through the Jackson National Community Fund (JNCF), we have established a strong base from which to grow our existing commitment to good corporate citizenship."

CLARK MANNING

**President and Chief Executive Officer,
Jackson National Life Insurance Company**

Jackson National Life Insurance Company (Jackson) is one of the largest life insurance companies in the US with nearly three million policies and contracts in force.

Jackson offers variable, fixed and fixed index annuities, as well as term and permanent life insurance and institutional products. Through its affiliates and subsidiaries, Jackson also provides asset management and retail brokerage services.

Jackson markets products in 49 states and the District of Columbia (and in the State of New York through Jackson National Life Insurance Company of New York) through independent broker-dealers, independent agents, banks, regional broker-dealers and the registered investment adviser channel. Jackson's investment portfolio manager, PPM America Inc., manages over US\$78 billion of assets (as at 31 December 2007).

CUSTOMERS

Nearly three million policies and contracts in force

LOCATIONS

Headquartered in Lansing, Michigan; Denver, Colorado; Chicago, Illinois; and Santa Monica, California

WEBSITE

www.jnl.com



M&G Group



"Growth and wealth creation remain the cornerstones of prosperity. We believe that well managed businesses will as a matter of course take account of wider social and environmental issues in taking their businesses forward. We find it helpful if the companies that we are looking to invest in publish the guidelines they adopt in dealing with these issues. We look for a well-reasoned and practical approach and recognise that this can vary according to each company's circumstances."

the guidelines they adopt in dealing with these issues. We look for a well-reasoned and practical approach and recognise that this can vary according to each company's circumstances."

MICHAEL MCLINTOCK
Chief Executive, M&G

M&G is Prudential's UK and European fund manager with £167 billion of funds under management (as at 31 December 2007). M&G independently manages assets on behalf of a wide range of retail and institutional investors. M&G also acts as fund manager on many of the life and pensions products sold by Prudential in the UK and Europe, as well as managing Prudential's balance sheet for profit.

As well as being a major investor in equities and bonds, through our property investment team, PRUPIM, which forms part of the M&G Group of Companies, we manage in excess of £19.3 billion of real estate assets, of which £2.8 billion is invested internationally in North America, continental Europe and Asia Pacific. We are invested in around 1,000 properties with 6,000 property occupiers worldwide.

ALSO PART OF M&G

PRUPIM
PPM Capital
PPM South Africa

CUSTOMERS

Over one million

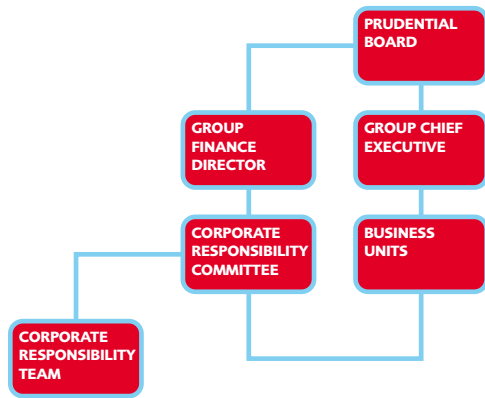
LOCATIONS

London, Chelmsford, Austria, France, Germany, Italy, Luxembourg, Spain, Switzerland, South Africa

WEBSITE

www.mandg.com

Corporate Responsibility



THE GROUP CR GOVERNANCE FRAMEWORK

Prudential's Group Finance Director, Philip Broadley, has Board-level responsibility for social, environmental and ethical risk management. The Board discusses Prudential's performance on this at least once a year. The Board also annually reviews and approves our CR report and strategy.

The **Corporate Responsibility Committee (CRC)** is a specialist Group-wide committee, chaired by the Group Finance Director, and is responsible for reviewing business conduct and social and environmental policy.

The Group's **Corporate Responsibility Team** develops strategy, provides training across the Group, and works closely with individual business units to provide advice, ensuring that our core values are consistently maintained and assisting with the adaptation of Group-wide initiatives so that they meet local needs. The Corporate Responsibility Team is also Secretariat to the CRC.



Philip Broadley
Group Finance Director, Prudential

ACCOUNTABILITY AND GOVERNANCE

In 2007, our main focus was to ensure that corporate responsibility (CR) activities were properly embedded across the company. The Corporate Responsibility Committee (CRC) is chaired by Philip Broadley, Group Finance Director and Board sponsor for CR. The membership of the committee incorporates all areas of the business.

The CRC is a forum for senior managers across the Group and is responsible for agreeing and ensuring the implementation of CR related policy and strategy. During 2007 and the early part of 2008, three CR Committee meetings were held, with a particular focus on CR risk management, climate change and CR strategy.

POLICY AND PROCEDURES

Prudential operates a Group Governance Framework which is underpinned by a Group Governance Manual and associated processes. This encompasses all key policies and procedures that govern Prudential Group. Responsibility for ensuring that these are maintained is allocated to appropriate senior managers within Group Head Office. These include the Group Code of Business Conduct; Health and Safety policy; Environment policy and Employment policies. Responsibility for compliance with all Group policies rests with each business unit's management. We set our own codes and policies that often go further than local/domestic legislative requirements.

The Group Governance Manual is reviewed annually in order to ensure that it remains both current and relevant. It also sets criteria for regular reporting to Group Head Office by business units and provides for an annual certification of compliance by each business unit.

GROUP CODE OF BUSINESS CONDUCT

Prudential's Group Code of Business Conduct (the Code), sets out the ethical standards the Board requires of itself, its employees, agents and others working on behalf of the Group, in their dealings with employees, customers, shareholders, suppliers, competitors, the wider community and the environment. This policy is in force across the Group and compliance by all business units is mandatory. The Code is published both internally on the Group Head Office intranet and externally on the Prudential website. It is also integrated within the Group Governance Manual and is covered by the annual compliance certification process. In 2007, the Code was revised to incorporate anti-money laundering and financial crime.

We have also translated the Code into Chinese, Korean and Thai, for publication on the website. The Code is printed in full at the back of this report and can be downloaded at www.prudential.co.uk/prudential-plc/cr/managementpolicies

Governance Framework

RISK MANAGEMENT

The Group Governance Manual is itself supported by the Group Risk Framework, which provides an overview of the Group-wide philosophy and approach to risk management. The Group's risk categorisation encompasses all of the principles in the Group Code of Business Conduct. Risks are assessed against non-financial impacts such as the customer experience, statutory and regulatory requirements and, not least, reputation and brand.

Each business unit Chief Executive is accountable for the implementation and operation of appropriate business unit risk frameworks, and for ensuring compliance with the policies and minimum standards set by the Group. Business units must establish suitable processes to identify, assess, control and monitor the risks to which they are exposed.

We are also required to report on environmental and social issues affecting our businesses in line with the EU Accounts Modernisation Directive (Directive 2003/51/EC) and the UK Companies Act 2006. Risk management is also a central feature of the

Sarbanes-Oxley Act of 2002. We continue to identify, evaluate and manage significant risks faced by the Group. It is essential that this exercise is periodically repeated in order to position us to meet requirements of changing legislation and identify CR risks that might adversely affect our business, financial condition and reputation.

MONEY LAUNDERING PREVENTION

Prudential seeks to comply with high standards of anti-money laundering and counter-terrorist financing practice in all countries/territories in which we operate. Failure to comply with international standards and Group policies to prevent money laundering and combat terrorist financing could lead to criminal prosecution, fines or reprimands by regulators. Prudential takes this extremely seriously and has established strong policies and procedures to manage these issues, including awareness raising and training, record keeping and compliance monitoring.

The issue of money laundering is managed through a Group-wide governance structure. Each business unit has appointed a Money Laundering Prevention Officer,

who reports directly to the Regional Money Laundering Prevention Officers who, in turn, report to the Head of Group Money Laundering Prevention.

STAKEHOLDER DIALOGUE

Our stakeholders are those individuals or groups who have a relationship with us. These include consumers; business associates and suppliers; our employees; shareholders and the investor community; academia; the media; governments; regulatory authorities; non-governmental organisations, and consumer associations.

It is part of our stakeholder engagement strategy to ensure that we continue to work with our employees, customers and external parties to shape what we do and to translate their reasonable expectations into business value. To obtain feedback from our stakeholders, we conduct periodic surveys on a range of topics such as how the company is perceived; what we do well, and where we could improve.

USEFUL LINKS

www.prudential.co.uk/prudential-plc/cr/managementpolicies

KEY CHALLENGES AND GLOBAL ISSUES

As an international retail financial services group, we are faced with a range of global challenges and issues. We have identified four key areas which we consider to be material to the way we run our business, and where our achievements will make a difference to the wider socio-economic environment.

CHANGING DEMOGRAPHICS

Around the world people are living longer and birth rates are in decline, leading to ageing populations. With fewer workers and more people in retirement, people will be increasingly called on to provide for their own financial well-being. We can play a key role in developing products and services that respond to our customers' needs, including educating individuals about their financial needs.

CONSUMER CONFIDENCE

Consumer confidence in the financial services industry is linked to a range of issues including the complexity of financial products and their financial knowledge and confidence in their own

financial capability. A key step in restoring confidence is to provide our customers with a range of products that meet their needs and generate good returns. This, together with clear communication, high quality customer service and easy-to-understand products, can help those who need to do so to grasp the essentials of money management.

GLOBALISATION

We recognise the complexity of issues and challenges resulting from the rapid and huge increase in the amount of economic activity taking place across international boundaries. As a result, we strive to apply consistently high standards of opportunity and welfare for employees throughout

our operations, wherever they are located, achieved through clear policies and effective governance.

SUSTAINABLE DEVELOPMENT

A widely-used and accepted international definition of sustainable development is: 'development which meets the needs of the present without compromising the ability of future generations to meet their own needs' (The Brundtland Report).

It is essential that, as a business, we not only manage our environmental impact efficiently, but also ensure we act responsibly towards our employees, customers, suppliers and the communities in which we operate.

Non-financial Key Performance

The table below summarises key programme areas against our commitments, and outlines some of our achievements to date and our priorities for 2008.

PROGRAMME AREAS	KEY PERFORMANCE INDICATOR	MEASUREMENT
Community	Make a measurable and positive impact in the communities where we operate.	Annual community spend as a percentage of pre-tax profit.
		Number of charities benefiting from our programmes/investment.
		Level of employee volunteering.
Customers	Continue to maintain high standards of customer service.	Tracking systems in place to monitor customer satisfaction.
		Provide information for customers in a variety of ways.
	Continue being a responsible investor on behalf of our clients.	Contribute to the investment performance of M&G funds.
	Gain a comprehensive understanding of the costs and benefits of sustainable property investments.	Implement relevant sustainable property investment techniques across our property portfolio in a way that will increase sustainability, while protecting and enhancing investor returns.
Employees	Ensure that we develop the leaders and leadership that the Prudential Group needs now and into the future, by engaging employees and creating a work environment in which they thrive and are rewarded fairly.	Use a variety of communication channels e.g. employee magazines, Group intranet site, news updates, videos and webcasts.
	Maintain our commitment to health and safety management across the Group.	Number of recordable health and safety incidents (under RIDDOR: Reporting of Injuries and Diseases and Dangerous Occurrences Regulations). Currently only measured in the UK.
Environment	Seek to reduce our environmental impact in all our locations by minimising the use of resources and wherever possible preventing environmental damage.	Periodically review our environmental impact.
		Ongoing measurement of building energy efficiency, water efficiency and waste recycling of our actively managed property portfolio.
Financial Capability	Continue to invest and help people to become more informed about their financial well-being and build the long-term capacity of community organisations to provide independent financial education.	Monitor progress with charity partners. Ongoing dialogue with partners.
Shareholders/Investors	Continue to maintain effective dialogue with our shareholders and investors on our Group CR programme.	Number of meetings held with analysts responsible for ethical investment funds.
		Inclusion in responsible investment indices e.g. FTSE4Good.
Supply Chain	Work with suppliers to maximise the beneficial social impact of our business and minimise the environmental impact of our business.	Number of suppliers with whom we have discussed environmental or CR issues.

Indicators

PROGRESS IN 2007	LOOKING FORWARD IN 2008 WE PLAN TO:
Based on IFRS statutory operating profit, Prudential's community expenditure equates to 0.4 per cent.	Continue to make a measurable and positive impact in the communities where we operate.
Based on London Benchmarking Group Model of evaluation, Prudential benefited over 330 charities.	Continue to measure the number of charities benefiting from our programmes/investment.
Further developed our international employee volunteering programme, The Chairman's Award, and created appropriate relationships with charities and programmes in each of our markets to support this. Over 2,000 employees volunteered.	Ensure we have community investment programmes running in most of our markets.
Prudential Corporation Asia has developed a detailed Customer Satisfaction model in Malaysia and is developing it for Singapore. Jackson measures its customer service quality through annual benchmarking surveys. Prudential UK is accredited to the Association of British Insurers' Customer Impact Scheme.	Roll-out the Customer Satisfaction Model in Asia to other parts of its business and use feedback to improve customer service. Prudential UK plans to work closely with the ABI on the Customer Impact Scheme.
Prudential regularly updates customers on products and important financial topics through retirement planning seminars, publications such as e-zine and 'your retirement', and the M&G spin-free guides.	Continue to provide customers with clear and responsible marketing information.
M&G manages two ethical investment funds: Prudential M&G Light Green Fund and the Prudential Ethical Trust Fund.	Continue to maintain active dialogue with our investee companies.
PRUPIM published its sustainable development framework for decision making, to actively encourage and promote sustainable practices, with the aim of sharing its experience in the sustainability arena with the property industry as a whole.	Play a central role in the activities of both the Investment Property Forum/ Institutional Investors Group on Climate Change, Responsible Property Investment Working Group and the UNEP FI Responsible Property Investment Workstream.
Continued to update employees on CR initiatives and the Group Code of Business Conduct through the annual CR report, the annual CR webcast and fortnightly news updates. Reviewed and re-communicated the Group Code to all employees – developed a pocket size version of the Code.	Continue to review and communicate our CR report and policies.
We have recorded 10 RIDDOR accidents in the UK.	Continue to work with business units to ensure compliance with the Group H&S Framework. Ensure each business unit produces an H&S action plan. In 2008, a best practice manual is planned to help ensure that all business units meet defined standards across the Group.
Group Environment Policy revised to reflect emphasis on carbon reduction. Agreed to introduce Energy Performance Certificates for both our UK commercial and occupied properties. Endorsed the ClimateWise principles on Climate Change in the UK. Provided performance data on Jackson for the first time.	Provide environmental performance data across the Group. Agreement reached in principle for Jackson, PPMA and PRUPIM's North America interests to proceed with Climate Leaders/Energy Star Programmes.
We have achieved ISO 14001 certification for 35 actively managed properties.	Continue to roll out ISO 14001 certification across our entire managed portfolio. Develop our monitoring and targeting system to measure environmental performance.
Extended the financial capability programme to the US and are in talks with PPM South Africa. Adding up to a Lifetime was rolled out in Scotland and adapted to the Northern Irish curriculum. AUTAL is currently being trialled in China.	Continue implementing the financial capability programme in our markets.
In 2007/2008, we met with six institutional investors to discuss our CR programme.	Continue dialogue with the investment community.
Met FTSE4Good global CR criteria and awarded continued membership.	Continue to monitor progress and engage with the FTSE4Good coordinators.
Rolled out UK CR supply chain programme to the 65 most significant suppliers (increased from 55 in 2006) with 78 per cent meeting or exceeding Prudential's expectations. No material risks identified.	Continue to work in partnership with our suppliers to help them reduce their social and environmental impacts.

Community

Each business within Prudential has its own particular identity and area of expertise. At the same time, we are all part of Prudential group and, through our community investment, we aim to promote the overall reputation of the Prudential brand. We strive to achieve high standards in our community investment activity.



Sir David Clementi

In monetary terms, the Prudential group spent £4.9 million in 2007 in support of the community. Within this, direct donations to charitable organisations amounted to £3.1 million, of which approximately £2.2 million came from EU operations.

THE CHAIRMAN'S AWARD

The Chairman's Award is our international employee volunteering programme. This was set up in 2006, to recognise that many employees make a significant contribution to charities, as volunteers in their own time, and to give all our employees the opportunity to get involved with a local charitable project.

The charities that we support were selected following a Group-wide survey of our employees, which identified a preference to volunteer on projects that address the needs of children and the elderly within their local community. We have identified and supported sustainable projects, where possible, that have education at their core.

In 2007, over 2,000 employees spent 7,400 hours volunteering with over 50 projects in our markets around the world.

At the end of 2007, our employees voted for the volunteering projects that they felt had made the greatest impact on the local community.

The 2007 winner of The Chairman's Award was Plan International Thailand. Over 370 employees in Thailand gave up their free time to volunteer with Plan International's Reforestation and Forest Conservation Project, supporting communities in 16 villages across the Chiang Rai region. Second prize was awarded to the Taiwan Fund for Children and Families' One to One after school tutoring programme which involved 250 employees and agents in the region. Junior Achievement Indonesia's schools mentoring programme, involving 72 schools country-wide, received third prize.

THE PRZYZORNOŚĆ FOUNDATION

In October 2003, Prudential established the Przymorność Foundation in Poland, which is distributing a total of US\$4 million to nominated Polish charities over a period of five years. Prudential operated in Poland prior to World War II through our subsidiary "Przymorność" (acquired in 1927). The assets of our Polish business were seized by the occupying authorities in 1939, at which time 4,623 policies were

"I am delighted with the momentum that has been built since the launch of The Chairman's Award. In 2007, over 2,000 employees volunteered to help community projects around the world. In 2008 we will continue to build momentum and support some 50 projects in this programme."

Sir David Clementi, Chairman, Prudential plc

KEY PERFORMANCE INDICATOR:
Make a measurable and positive impact in the communities where we operate.



Mobile Classroom, Korea

in force. The assets were never returned and Prudential holds no assets deriving from our former Polish business.

Since that time, Prudential has been trying to locate these former policyholders or their heirs. Over 37 per cent of them have been traced and their policies settled since the early 1950s, despite significant gaps in our records. Prudential recognises that it is highly unlikely that it will be able to trace all of the policyholders or their descendants. In recognition of this fact and in respect of the memories of those whom we cannot trace, we decided to establish the Przeworność Foundation in Poland.

The charities receiving funding deal with welfare, cultural, historical and educational issues. Funds are split 50:50 between Jewish Polish and non-Jewish Polish organisations, reflecting our estimate of the profile of our former policyholder base.

The foundation supports 21 charities in Poland. It will complete its five-year programme of projects in September 2008.

PRUDENTIAL UK IN THE COMMUNITY

The focus of Prudential UK's community programme is on making a difference to retirement in our local communities. The programme is focused on where we can make the greatest difference to the communities in which we operate. There are five key areas of Prudential's community

programme: education; sport; the arts; community days and giving to charity.



Nick Prettejohn, Chief Executive, Prudential UK and Europe presenting the Prudential UK Employee Volunteering Awards (EVA) 2007 to Jacqui Putnam, Winner Outstanding Volunteering (Individual)

In 2007, Prudential UK celebrated the volunteering efforts, either individually or through team events, which its employees make in the community, through the launch of the Employee Volunteering Awards (EVA). Winners of each category were awarded £1,000 for their chosen charity. Beneficiaries included: the British Red Cross; Stirling District Association of Mental Health; Macmillan Cancer Support; the National Society for the Prevention of Cruelty to Children (NSPCC) and the Association of Scottish Talking Newspapers.

PRUDENTIAL CORPORATION ASIA
Children and Education

Helping people to plan for a brighter future is at the heart of our business and

community activities in Asia. Our children and education-focused programmes aim to give young people the best opportunities to develop their potential. Examples include:

In Korea, PCA LIFE, in collaboration with the British Council and SOS Children's Villages, sponsors the English Adventure programme for children in communities with limited opportunities for English education. English Adventure is a mobile classroom equipped with interactive software for a fun and innovative approach to language education. Over 10,000 students from 21 schools and two SOS Children's Villages have benefited from this programme.

In Malaysia, Prudential Assurance's employees raised funds to refurbish PRUhome, including its library. PRUhome is a shelter home for underprivileged children fully-funded by Prudential Assurance. Funds were raised from the sale of cards and flowers as well as calendars that featured paintings by PRUhome kids.

In Singapore, Prudential Assurance sponsored Prudential Children First! Singapore International Festival for Children presented by ACT 3 International. The festival brings entertainment from around the world to Singapore, to inspire the imagination of children through high quality teaching materials. Over 70 local schools participated, including more than 17,800 students.



The Reforestation Project,
 The Chairman's Award

"I was very impressed that so many Prudential volunteers travelled over 800 kilometres to join the project. They interacted with the rural hill tribe communities by sharing the physical work of planting young trees and created environmental awareness posters for local school children.

Many volunteers had not visited a hill tribe area before and they learnt a great deal about how community development makes a difference to the lives of children."

Mr. Sunan Samrianrum (shown far right)
 Building Relationships Manager, Plan International Thailand

Community

£4.9 million supporting communities in 2007

PRUfriends

Prudential Corporation Asia continues to support the community through activities and initiatives throughout Asia that go beyond financial services. We do so through PRUfriends, a programme that directs community investment to where it will provide the most benefit, harnessing the knowledge and expertise of local community organisations and Prudential Corporation Asia employees.

Our response to natural disasters shows employees, customers and governments that we have a long-term commitment to the countries where we operate. After an earthquake hit the Yogya area of Indonesia in May 2006, Prudential Corporation Asia donated relief funds and launched a school renovation programme at SMP 1 Bambanglipuro, a damaged school in the area. In April 2007, the school building was renovated.

In Malaysia, Prudential Assurance's agents and employees played their part in the relief efforts to help flood victims in the southern tip of Peninsular Malaysia which was ravaged by rain in December 2006. Some of the funds raised were donated towards the purchase of new computers, cupboards and tables for one school affected by the flood.

In the Philippines, PRU LIFE UK partnered the non-governmental organisation Gawad Kalinga in Metro Manila, to build the PRU LIFE UK-Felicity Village for the homeless. Over 150 houses will be constructed in the village by the end of 2008. PRU LIFE UK's employees and agents will be actively involved in the project by making donations and contributing their time to help with the construction of the houses during weekends.

Prudence Foundation

The Prudence Foundation was established in 2003 and is committed to supporting the mind, body and spirit of the Vietnamese people.

The Prudence Foundation has introduced a number of initiatives to promote learning, athletics and IT, including the launch of English language courses for government officials to improve their English language skills for international business negotiation.

In 2003, the Foundation launched the Prudence Cup, a nationwide tennis tournament aimed at helping Vietnamese children aged 8 - 14 years old to improve their tennis skills. Prudential will also be launching IT scholarships to develop young talent.

To date, the Foundation has trained over 2,000 Vietnamese government officials in Business English for trade talks and business communication and has provided tennis training for 1,800 young tennis players.

M&G

M&G supports the communities in our areas of operation in a variety of ways including charitable donations, sponsorship of events and encouragement of employee participation in community life and charitable activity.

In 2007, donations were made to over 137 charities in support of projects and activities under: social and welfare; education; children and youth; arts and heritage; environment; medical and health.

Almost 100 employees either took part in fundraising events or were involved in volunteering.

PRUPIM

Our investment properties have an effect on the communities that surround them. Similarly, a property's local environment and community can affect its value.

Through targeted community investment programmes, we create significant benefits for local communities. By focusing initiatives on key local issues, such as eradicating vandalism or improving the local environment, we believe we are in a position to strengthen these communities. In addition, we also recognise that there is an opportunity for community investment to achieve real engagement with our employees.

Prudential 4 Youth and Prudential Grass Roots continued to be PRUPIM's key community programmes during 2007. The Prudential 4 Youth programme engages and empowers young people as partners in tackling crime and community safety issues through active citizenship and social enterprise in shopping centres across

England and Wales. The programme is funded by Prudential plc and managed by PRUPIM and Crime Concern.

The Prudential Grass Roots programme supports communities to improve their local environment. Run by BTCV, the UK's leading practical conservation charity (and funded by Prudential plc), the programme is helping to drive the regeneration for people and wildlife in communities around Prudential owned properties across the UK.

PRUPIM has also set an ambitious target to have 20 per cent of its employees taking part in employee volunteering by the end of 2008. An important part of reaching that target will be encouraging teams to volunteer for their annual teambuilding day. During 2007, almost 10 per cent of PRUPIM's employees took part in volunteering events.

JACKSON

In the US, Jackson formed the Jackson National Community Fund (JNCF) in January 2007. In June 2007, an internal volunteer-based programme named Jackson in Action was launched.

In its inaugural year, the JNCF and the Jackson in Action programme have surpassed all of their goals. Jackson and its employees have donated more than US\$1 million in corporate sponsorships, in-kind donations, and donation matches to charitable organisations that benefit children and the elderly. Employees donated more than 2,250 hours of their time with charitable organisations that support children and the elderly. Eight Jackson senior executives serve as members of the Board of Directors for eight local children and elderly focused charities, donating their time and resources.

Jackson's community relations programme is national in scope, but geographically concentrated in those communities in which our US operations have a major presence.

Customers

We operate in the UK, Europe, the US, Asia and the Middle East, providing savings, protection and other products and services to over 20 million customers, policyholders and unit holders worldwide.



Janusz Orłowski

We are committed to providing a high level of customer service and consumer information and to monitoring levels of customer satisfaction using key performance indicators. We aim to be open and transparent in all our dealings and ensure that our products and services will meet our customers' needs.

PRUHEALTH

Public health issues around obesity, smoking, exercise, and nutrition are becoming ever more important in the UK. Through PruHealth and PruProtect we are making it easier for customers to get healthier by offering financial incentives to encourage efforts to lead healthier lives, including preventative measures such as going for health screenings and assessments. We have also announced a partnership with Sainsbury's, a leading supermarket chain, to ensure that policyholders are rewarded for eating healthy food.

The rationale is clear - healthier people are less likely to need medical treatment or to suffer from serious illnesses. By helping people to get healthier, not only do we help them to enjoy the immediate health benefits, but we can also provide better quality private medical insurance and protection products that genuinely meet the changing customer need in addition to the better quality of life that they will enjoy as a consequence.

PruHealth and PruProtect policyholders can earn 'Vitality' points by, for example, improving their fitness, managing their weight, and not smoking. These points form the basis for determining a discount to the following year's premium.

Improving public health requires a commitment to change individual behaviour that underpins what are often lifestyle-related illnesses. We have sought to contribute to this important policy debate by becoming a corporate partner of the King's Fund – an independent charitable foundation working for better health – and sharing our knowledge of how behavioural change can be initiated and maintained, and the impact this may have on an individual's health and wealth. We also sponsor and participate in a variety of policy seminars intended to encourage government to develop a holistic approach to incentivising positive behavioural change.

TREATING CUSTOMERS FAIRLY

In the UK, Treating Customers Fairly (TCF) is an initiative spearheaded by the Financial Services Authority (FSA), the UK regulator. The FSA considers that fairness should be central to the corporate culture of all financial services organisations in the UK.

"The PruHealth Vitality programme helped me to achieve and maintain my health and fitness goals."

Janusz Orłowski, PruHealth Customer

KEY PERFORMANCE INDICATOR:

Continue to maintain high standards of customer service. Continue being a responsible investor on behalf of our clients.

Our ongoing programme of activity ensures that doing the right thing for our customers is at the heart of everything we do. This includes all aspects of our culture, product development and service, as well as people issues such as training and competence and performance management.

UK ASSOCIATION OF BRITISH INSURERS' CUSTOMER IMPACT SCHEME

Prudential UK is accredited to the Association of British Insurers' (ABI) Customer Impact Scheme, which aims to improve people's experiences of the life and pensions industry.

Being a member of the scheme will give us a chance to shape and influence industry initiatives and benefit from its customer research and good practice guides. It includes an integrated package of three customer promises and an annual customer impact survey seeking customers' views and experiences across the industry. The three customer commitments are to:

1. Develop and promote products and services that meet the needs of our customers.
2. Provide customers with clear information and good service when they buy our products.
3. Maintain appropriate and effective relationships with our customers, and provide them with good service after they have bought a product.

All members have committed to putting customer needs at the heart of how they do business. By joining we will be required to:

- Participate in the annual customer benchmarking survey to measure performance against the promises, and produce a Customer Experience Index – an exercise that we already carry out.
- Allow the ABI to make public the aggregate industry level results of the Customer Experience Index.

- Provide public disclosure, through Board commitment, to the set of three customer commitments as stated above.
- Produce, and make available to our customers, an annual report on our progress and performance in delivering the customer commitments.

As a customer-facing business, it is vital that we listen to our customers on an ongoing basis. We undertake extensive qualitative and quantitative research into what our existing and potential customers want from us.

Prudential is one of 32 companies that took part in the ABI's Customer Impact Survey, which asked 20,000 financial services customers for their views on all aspects of a company's performance including service quality. The results of the Customer Impact Survey 2007-2008, were announced in February 2008.

The latest results show that overall satisfaction with the long-term insurance industry remains high, with 85 per cent of consumers stating that their provider 'treats customers fairly'. A majority of people, 53 per cent, agreed that the industry has an excellent reputation, up from 48 per cent last year. But room for improvement remains, in particular on complaints handling. Further information can be found at: www.abi.org.uk

CONSUMER/CUSTOMER EDUCATION

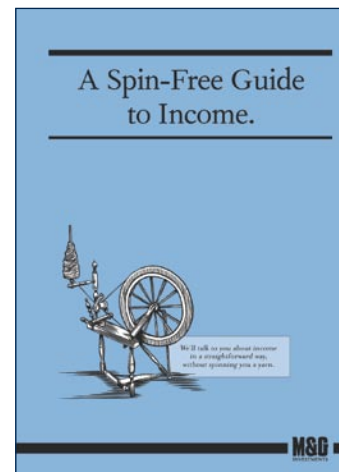
Responsible marketing and providing clear information are key to establishing consumer confidence.

Prudential UK provides free guides to help those looking ahead and in particular to their retirement. Prudential UK's guides provide information on topics such as "understanding pension annuities" and "choosing the right investment". These booklets are available to customers and non-customers alike.

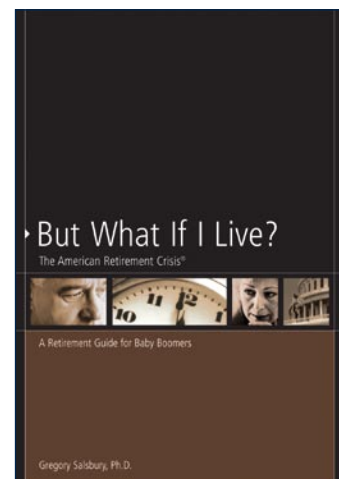
M&G has developed spin-free guides for investors which provide straightforward,

Over 20 million customers worldwide

easy-to-understand information on a range of investment options, including bonds and equities, while also tackling subjects such as understanding risk.



Jackson has developed a new approach to explaining the challenges of retirement to help consumers and customers understand the reality of longevity. Greg Salsbury, Executive Vice President Jackson National Life Distributors, has authored a book entitled 'But What If I Live: The American Retirement Crisis'. The book was named 'Best of Show' in the writing category of the US Insurance and Financial Communications Association's 2007 awards competition. All royalties from the sale of the book benefits Jackson's new financial literacy programme (see page 24 for further information).



RETIREMENT PLANNING SEMINARS

Adapted from the previous Meet Pru programme, Prudential UK offers free retirement planning seminars for customers and non-customers to learn about saving for retirement. In 2007, over 2,000 people in 16 locations across the UK were given the opportunity to speak directly with a Prudential employee to ask specific questions on any aspect of retirement saving and/or products offered by Prudential UK. Following positive feedback throughout 2007, the retirement planning seminars will continue in 2008.

PRODUCT INNOVATION - ISLAMIC FINANCIAL PRODUCTS

In Malaysia, Prudential Fund Management Berhad has been managing Islamic funds since 2002, on behalf of Prudential plc. It now manages eight Islamic funds for institutional and retail investors. Our core strength is our tried and tested fund management approach coupled with our knowledge of Shariah investments, through undertaking research into consumer demand and needs. Several of our local funds have been awarded for fund performance, and in 2007, Prudential was voted Best Islamic Fund Manager by the readers of Islamic Finance News.

CUSTOMER SERVICE – JACKSON

Jackson is dedicated to continually maintaining and improving good customer service and to having the necessary sophisticated technology, effective training programmes and quality reference materials available for its employees to use.

One method Jackson uses to measure its customer service quality is through benchmarking surveys. The Service Quality Measurement Group (SQM) specialises in annual benchmarking surveys and covers over 250 leading North American call centres in various industries. In 2007, Jackson achieved World Class status, for the third time in the last four years.

To achieve world class distinction from SQM, at least 80 per cent of customers surveyed must rate their experience with a company's call centre as "very satisfied" – the highest possible rating. SQM surveyed more than 800 individuals, of whom 84 per cent said they were "very satisfied" with their customer service experience at Jackson.

CUSTOMER SATISFACTION MODEL – PRUDENTIAL CORPORATION ASIA

Prudential Corporation Asia has continued to develop how it listens to its customers and puts them at the heart of the business. We have built on the work completed in 2006, the first Customer Satisfaction Model in Malaysia, and are now rolling out this model to our Life business in Singapore. We have also developed a regional survey to assess the likelihood of customers recommending Prudential Corporation Asia to their family and friends. The findings will allow Prudential Corporation Asia to track customer loyalty across its business and to assess the effectiveness of its various customer initiatives.

While high satisfaction scores tell us if things are going well for our customers, we are also very keen to get early visibility if things go wrong. All of our businesses have continued to monitor complaints from customers: three of our businesses are starting to measure compliments from customers, so we can understand the ratio of complaints to compliments; and we are introducing a customer dashboard for our largest businesses, in order to bring together a single business view of customer and corporate data.

RESPONSIBLE INVESTMENT

M&G manages two ethical investment funds: Prudential M&G Light Green Fund (for institutional pension fund clients) and the Prudential Ethical Trust Fund (a unit trust). M&G's approach to responsible investment is set out in the booklet 'Issues Arising from Share Ownership', available at www.mandg.co.uk

PRUPIM is committed to making a significant contribution to the development of responsible investment in property. For example:

- Through PRUPIM's participation in the Institutional Investors Group on Climate Change, we seek to promote better understanding of the investment implications of climate change.
- PRUPIM is currently working in collaboration with the United Nations Environment Programme Finance Initiative (UNEP FI) Responsible Property Investment Working Group,

to promote responsible property investment. The working group has recently undertaken a key markets survey to identify and highlight emerging opportunities in responsible property investment.

- In 2007, PRUPIM set up an innovative project called the Improver Portfolio to examine ways it can reduce a 'typical' property portfolio's carbon footprint while maintaining or even enhancing investment returns. The Improver Portfolio consists of 25 PRUPIM-managed properties covering all sectors.

UNCLAIMED POLICIES

Prudential UK takes its responsibility to its policyholders seriously and is keen to ensure that all claims are settled promptly. We understand that policyholders may misplace their policy or forget about it when moving house. If customers believe they have old policies they should contact Prudential by telephone on 0800 000 000, write to Prudential, Customer Service Centre, Stirling, FK9 4UE, or register to use Prudential's secure email: www.pru.co.uk/prumail2

Further information can also be found on the Prudential plc website and the Prudential UK website (www.pru.co.uk and www.pru.co.uk). In 2007, the two sites received a combined total of over 14,700 hits.

If a customer/policyholder has no information, but suspects that a life insurance policy exists, they may wish to consult the Unclaimed Assets Register (UAR). This is a unique service that helps its users find lost assets and re-establish contact with financial institutions. The UAR has a database of unclaimed life policies, pensions, unit trust holdings and share dividends drawn from many companies. The UAR charges a fixed fee of £18 for each search. This includes VAT and a contribution to charity. www.uar.co.uk

USEFUL LINKS

- 🔗 www.abi.org.uk
- 🔗 www.pru.co.uk/prumail2
- 🔗 www.uar.co.uk

Employees

We strive to create an environment in Prudential that attracts and retains the right people, those who are committed and able to deliver top performance for our customers and shareholders. We understand that to support our aim of being a leading international retail financial services company, we need to have the right people in the right number at the right time.



Danny Yasin

Our key driver in Human Resources (HR) is to deliver the leaders and leadership the Prudential Group needs now and into the future. Our HR strategy is to achieve this by focusing on five key challenges:

- Getting the right people into the business.
- Building and rewarding performance.
- Growing a strong talent pipeline.
- Developing credible successors.
- Developing an organisation that works.

EMPLOYEE ENGAGEMENT

We recognise that key to the success of our business is having engaged and committed staff. We believe that effective communication is invaluable in achieving this goal. Each of our business units has its own intranet site which is used to keep staff updated on the performance of the business and other relevant issues. They also provide staff with an opportunity to pose questions to their business CEO.

There are also a number of employee consultation forums, such as the M&G

Staff Consultative Committee, and the UK Insurance Operations' Employee Forum. These give employees an opportunity to express their views and discuss issues of concern. For those working in the European Union, we hold a yearly European Employee Forum where key employment issues are discussed.

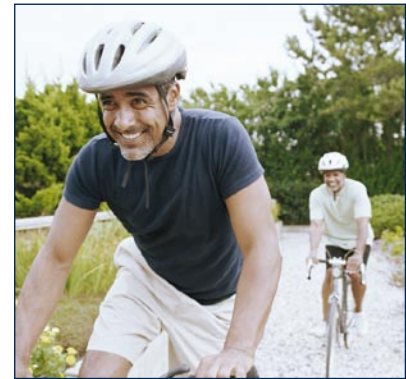
Employee surveys are an effective way of gauging the opinions and level of satisfaction of our employees. Several of our business units run surveys. For example, Jackson has conducted an employee satisfaction survey in its Denver office for the last few years and has seen an increase in employee satisfaction over this period. In 2007, Jackson conducted an employee satisfaction survey in its Lansing office and has established a number of task forces to address concerns that employees raised in the survey. Jackson also conducted an employee satisfaction survey in its affiliated network of four independent broker-dealers, National Planning Holdings. The survey identified that career development was a priority for its employees. To address this, an on-line career exploration and development tool was developed. The on-line tool delves

"I was looking for a challenge in the global insurance market and felt that Prudential was one of the best companies to work for. 'The Momentum Programme' is one of the leading programmes in the insurance industry and I am very proud to be involved in the opportunities it presents."

Danny Yasin Group-wide Internal Audit

KEY PERFORMANCE INDICATOR:

To ensure that we develop the leaders and leadership that the Prudential Group needs now and into the future, by engaging employees and creating a work environment in which they thrive and are rewarded fairly.



further into career development with participants completing self-assessments and documenting their career goals while aligning their activities with opportunities for growth within the Jackson network.

As part of our reward practices we believe it is important to enable employees to share in the success of the Group through share ownership. In the UK we operate two all employee share plans; a share investment plan and a save as you earn scheme. Fifty-three per cent of eligible employees in the UK participate in the save as you earn scheme and nine per cent in the share investment plan. In Asia we operate two save as you earn schemes similar to the UK scheme; one for employees and one for agents. Twenty-one per cent of eligible employees and 15 per cent of eligible agents participate in these schemes.

DIVERSITY

We strive to ensure that Prudential employees work in an environment where everyone is respected and treated equally. We recognise the value that a diverse workforce brings to our organisation. In 2007, Prudential featured in the UK Times newspaper's top 50 places for women to work and 13 per cent of our Group Leadership Team are women.

The majority of our business is outside the UK. In the areas where we operate, we recognise the importance of hiring and developing individuals from the local talent market. In our Asia business 82 per cent of senior managers are recruited from the local workforce.

In the UK, we were a founding member of Race for Opportunity and are also members of Opportunity Now and the Employers' Forum on Age and Disability.

Prudential Assurance Company Singapore has also participated in the Employer's Pledge of Fair Employment Practices.

HUMAN RIGHTS AND FAIR TERMS OF EMPLOYMENT

Prudential is guided by the United Nations Universal Declaration of Human Rights and the International Labour Organisation (ILO) Fundamental Conventions.

DESIGNING PRUDENTIAL FOR THE FUTURE

Throughout 2007, our Asian business has continued to grow significantly with new business sales up by 44 per cent. We now have more than 400,000 employees and agents in the region supporting the delivery of services to approximately 10 million customers across the region. One of the biggest challenges we face is getting people into the business in what is a very competitive talent market. We are constantly reviewing our reward structures to ensure they are competitive and attract the talent we need to support the ongoing growth of our business in Asia.

In 2007, we announced that we had entered into a major partnership agreement with Capita Group Plc (Capita) to administer our back book. This will help the UK business become Leaders in Retirement by significantly reducing the cost of managing the back book and freeing it to be more competitive. The partnership allows the UK business to focus on making the most of its brand, core strengths and proven capabilities. Various potential partners were considered but Capita was chosen because of its size and experience. The deal protects more jobs than the other options available and, for many, will make them part of a growing administration business with sites across the UK and in Mumbai.

People employed in the UK transferred via TUPE (Transfer of Undertakings (Protection of Employment) Regulations) on 1 April 2008 and those in Mumbai via offers of new employment on comparable terms and conditions on 1 August 2008.

Full consultation is taking place with unions and the business is working closely with Capita to ensure that the transfer is as smooth as possible. Regular communication, updates and training are being provided to employees through face to face meetings, print and the intranet to help them manage the change associated with the partnership.

LEARNING AND DEVELOPMENT

Prudential has a long history of success, from its early roots in the UK right through to today's international, diverse and innovative business. Our continued success depends on investing in people today and developing the next generation of leadership.

To deliver the leaders and leadership that Prudential needs, both now and into the future, we undertake an annual review of our talent across the Group, identifying, developing and rewarding those people who will enable us to fulfil the strategic options we want to consider.

In 2007, we implemented a series of Group-wide management development programmes to assess senior talent within the business and identify the development activity they need to be successors to future leadership roles. These programmes help us benchmark our best people in a consistent way and will support the movement of senior people around the Group.

Also in 2007, we introduced the 'Momentum Programme'; a Group-wide initiative designed to identify high potential individuals early in their careers and provide them with stretching opportunities to grow and develop the skills needed to manage an international business. This programme is open to both internal and external candidates and has attracted applicants from across the world.

Employees

Within Prudential there is a vast array of different learning and development activities which are readily available to employees. For example, M&G meets employees' individual learning needs through on-line training, one-to-one coaching and more traditional classroom delivery. Prudential UK has developed an on-line portal 'Learning Space', which enables staff to easily access relevant learning for their personal and professional development.

In Asia, employee education is provided across the Group's Asian markets through PRUUniversity, which is available to all staff and is offered in a wide variety of languages. Programmes covering management, leadership, technical and business skills as well as a comprehensive range of self-improvement materials including language courses are available with many being endorsed by external learning institutions.

PRUPIM's Prudential Employee Assisted Learning (PEAL) programme offers activities related to personal learning and development: these do not have to be directly work-related. Examples of activities supported in the past include personal improvement activities, such as golf lessons, language studies and flying lessons.

In 2007, Jackson launched a new summer internship programme whereby 17 college students were given the opportunity to work in its Lansing, Denver and Santa Monica offices with Jackson executives. After the success of the programme, many of the interns remained at Jackson through the year on a part-time basis.

We see the quality of our people as a key component of our success and will continue to invest in both short and long-term development activity over the coming years.

GROUP HEALTH AND SAFETY

We have a duty to ensure the health, safety and welfare of all our employees whilst at work.

In 2007, the Group Health and Safety (GHS) Team achieved OHSAS 18001 accreditation (Occupational Health and Safety Accreditation System) for its UK health and safety management system. OHSAS 18001 is a framework which will allow us to identify and control our health and safety risks consistently, reduce the potential for accidents, aid legislative compliance and improve overall performance. It also provides us with an opportunity to assess its applicability as a management system across the Group.

Each business unit has a representative who provides leadership for health and safety and attends twice-yearly meetings of the Health and Safety Council. This year, those meetings have included discussions on a range of issues including safety advice for international travellers, processes to ensure that appropriate safety arrangements are communicated to personnel attending company events and a review of our occupational health service providers.

There were no major health and safety breaches in 2007.

WELLNESS AT WORK – PROMOTING HEALTHY LIFESTYLES

Both in the UK and Asia we are a provider of health insurance to individual and corporate clients and we recognise how important it is for employees to have a healthy lifestyle. There are a number of initiatives across the Group to promote healthy living.

In the Philippines, PRU LIFE UK has established an Employee Welfare Committee. The committee was set up

to promote wellness at work. Activities have included free bone screening and cholesterol check-ups. Prudential Assurance Company Singapore has established a Work-life Balance Committee to promote 'A Healthy and Satisfied Life'.

In China, CITIC Prudential provides annual medical check-ups for all employees.

The company has also organised medical talks, provided advice on illness prevention and wellness improvement seminars for employees.

Prudential UK has support systems in place such as 24-hour helplines, independent counsellors, physiotherapists and medical advice, referrals to occupational health and advice from an employee relations adviser. Nearly two per cent of employees benefited from physiotherapy treatment during 2007, resulting in a 30 per cent reduction in days lost per person to musculoskeletal conditions.

Regular health articles are published on the Prudential UK and Jackson intranet sites, informing employees about health, self-esteem, giving up smoking and relaxation techniques. Jackson also offers its employees the chance to participate in its wellness at work programme which is coordinated by the YMCA.

EMPLOYEE COMMUNICATION

Communication with employees is essential in ensuring engaged and committed staff. In Jackson, the Corporate Communications department produces two monthly internal electronic publications, Insights and Involved. The goal of Insights is not only to report company news, but also to write articles that inform employees of company and management initiatives and to boost morale across the organisation.



"Interns help us to attract new talent to the company by sharing their Jackson experience with other students and professors."

Steve Hrapkiewicz
Senior Vice President Human Resources, Jackson

Environment

Prudential recognises that it has a responsibility to minimise the direct impact that it has on the environment, particularly where it is an employer. In practice, this means minimising the carbon intensity and resources we use and tackling the indirect impacts we have on the environment through our supply chain.



Andrew Wordsworth

WHAT IS OUR ENVIRONMENTAL IMPACT?

As one of the UK's largest property investment managers PRUIM accounts for over 75 per cent of Prudential's direct environmental impact in the UK and the US.

We believe that as one of the UK's leading property investment managers, we have a significant responsibility for the environments and communities in which we operate. As part of our CR strategy we have developed a comprehensive set of actions to mitigate the impact our business operations have on the environment.

ENVIRONMENTAL POLICY

The Group's Environment Policy, first produced in June 2006, has been revised to reflect our increasing emphasis on carbon reduction. The revised policy was signed off by the CR Committee and its Chair, Philip Broadley, Group Finance Director and will now be re-communicated across the Group.

CLIMATE CHANGE: UK CLIMATEWISE PRINCIPLES

Prudential is one of 38 companies from the financial services sector to endorse the ClimateWise principles, launched on 13 September 2007. A working group of leading global insurers, reinsurers, brokers

and asset managers developed the principles to promote positive action on climate change. They will enable companies and organisations throughout the world to build climate change into their business operations.

The principles, developed by the working group led by the Association of British Insurers, focus on: encouraging greater climate-friendly behaviour among customers and employees; integrating climate change into investment strategies and risk analysis.

Although we will be reporting our performance against the principles from a UK perspective, we will be working towards, where possible, a Group-wide reporting framework. For further information visit: www.climatewise.org.uk

WORKING WITH OUR PEERS THROUGH FORGE

FORGE is a consortium of financial institutions formed in 2000, to address the CR issues facing the financial services industry and develop a consistent approach towards managing them.

During 2007, FORGE developed a guidance framework and an Employee Engagement Actionpack which seeks to: progress understanding of climate change for the

"Undoubtedly one of the biggest issues we are facing is that of climate change. Raising awareness amongst employees can play a key role in reducing resource use, whilst at the same time lowering emissions."

Andrew Wordsworth, Director, Business Development, Carbon Trust

KEY PERFORMANCE INDICATOR:

Seek to reduce our environmental impact in all our locations by minimising the use of resources and wherever possible preventing environmental damage.



Bus routes offer travel to and from work in Craigforth, Scotland

financial services sector; assist organisations to develop a response and provide practical advice on mitigating climate change across a financial services organisation, taking into consideration both individual functions as well as business units.

**ENERGY MANAGEMENT, UK
– ENERGY PERFORMANCE
CERTIFICATES OF BUILDINGS**

From April 2008, under the European Union Energy Performance of Buildings Directive, Energy Performance Certificates (EPCs) will be required for any building that is constructed, sold, or rented. EPCs will rate the energy performance of a building, enabling both property investors and prospective occupiers to consider energy efficiency ratings and levels of carbon emissions. Furthermore, EPCs will be accompanied by a report containing recommended measures to further improve the energy efficiency of a building.

Prudential will be introducing EPCs, initially in the UK, for both its commercial investment property portfolio and its occupied property portfolio. Prudential will implement the directive elsewhere in accordance with national regulations.

**ENERGY MANAGEMENT,
INTERNATIONAL**

In the US, it has been agreed in principle that Jackson, PPM America, and PRUPIM's North American investment properties participate in the US 'Climate Leaders' Programme.

Climate Leaders is an industry/government partnership that works with companies to develop climate change strategies. Partner companies commit to reducing their environmental impact by completing an inventory of greenhouse gas emissions, setting aggressive reduction goals and annually reporting progress. Through programme participation, companies create a credible record of their accomplishments and receive recognition as corporate environmental leaders.

It is also planned that the same portfolio participates in the US Energy Star Programme. This will help find smart ways to manage the energy needed to run our business to enhance overall corporate value. Energy Star advises that up to 30 per cent savings are achievable.

In Asia, a building services provider for the occupied property portfolio is being appointed. We plan to use the experience and knowledge of the provider to grade our buildings using a straightforward environmental classification system. We then intend to improve our overall environmental performance by, where possible and as opportunities arise, migrating to properties which are in the highest of these environmental categories.

TRAVEL PLANNING

To help minimise our carbon footprint, the business continues to review its travel plans. In Craigforth, Scotland, bus routes operate daily between the company's site

and a number of locations throughout the Forth Valley area to bring employees to work. Additionally, shuttle-buses to rail stations are also provided. Following a review of these services, efficiency has been improved and total mileage has been reduced by eight per cent compared to the previous reporting year (in 2006-2007 total transport mileage was 393,000 miles, carrying an average of 570 employees per day).

**TRAVEL PLANNING IN THE US
– CLEAN COMMUTE**

Jackson is working in tandem with the Lansing Capital Area Transportation Authority (CATA) to offer employees the Clean Commute Options programme. The programme is dedicated to educating the community on alternatives to driving alone and improving air quality.

As a part of the Clean Commute Options programme, CATA provides a free ride-matching service to those interested in forming car or vanpools. CATA also provides free emergency rides for people who participate in the carpool/vanpool, so that they will never be without a ride to or from work. A number of employees have taken advantage of the programme and the overall response has been very positive.

**ENERGY PROCUREMENT IN
UK OCCUPIED PROPERTIES**

Buying energy from renewable sources helps to reduce our carbon footprint. We are committed to increasing the amount of renewable energy we buy.



"Carbon management is a significant challenge to all businesses. At PRUPIM, we are continuing to address this important issue, with a number of projects already in place which will help us minimise our carbon emissions and manage our properties as effectively as possible."

Martin Moore, Chief Executive, PRUPIM

In 2007, half of Prudential's UK electricity consumption came from renewable sources, compared to two per cent previously. This move cut our CO₂ emissions by more than 1,375 tonnes in comparison to 2006 (assuming consistent energy consumption).

ENERGY PROCUREMENT IN UK INVESTMENT PROPERTIES

Investment properties have continued to be supplied with a proportion of "green" electricity (dependant upon the availability of supplies), representing 58 per cent of electricity supplied. (Data are based on billing information provided by our supplier Scottish and Southern for the reporting period of 1 October 2006 – 30 September 2007).



GreenPark, Reading, UK

ENGAGING ON FUTURE POLICY DEVELOPMENT

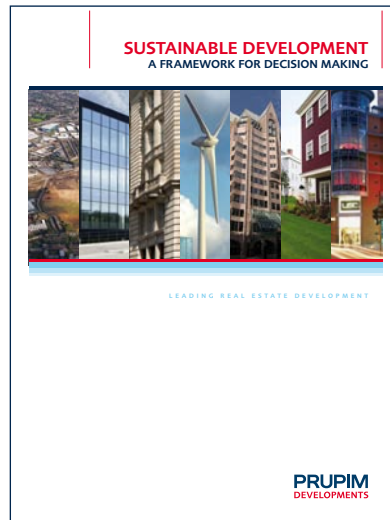
During 2007, the UK Government published a consultation on the proposed Carbon Reduction Commitment (CRC), a new mandatory emissions cap and trade scheme to reduce CO₂ emissions from large, non-energy intensive commercial and public sector organisations, which make up 10 per cent of total UK emissions. We are actively consulting with the Government on the proposed CRC through the British Property Federation.

SUSTAINABLE DEVELOPMENT: A FRAMEWORK FOR DECISION MAKING

During 2008, PRUPIM published: 'Sustainable Development - a Framework for Decision Making', to actively encourage

and promote sustainable practices, with the aim of sharing its experience in the sustainability arena with the property industry as a whole.

PRUPIM worked with design, engineering and management consultants WSP, to develop the framework which is a 'living' document and will be regularly updated and extended.



ENGAGING OUR EMPLOYEES ON CLIMATE CHANGE

Prudential's Group Intranet site has a section for our employees to access a carbon calculator, enabling them to establish their domestic CO₂ footprint, energy efficiency tips, and a feedback mechanism. This is part of our programme of educating our employees on issues around climate change.

100 DAYS OF CARBON CLEAN-UP

The 100 Days of Carbon Clean-up Campaign, run by the UK Chartered Institution of Building Services Engineers, aims to demonstrate the ability of an organisation to make a saving of CO₂ emissions by implementing simple, low-or-no-cost measures over 100 days. The campaign, introduced at PRUPIM's head office, encourages employee awareness and managerial initiatives to reduce carbon emissions from their buildings. The initiatives were also extended to the managed investment properties taking part in the first tranche of the ISO 14001 project and support PRUPIM corporate commitments towards lowering CO₂ emissions and energy consumption.

UNEP FI PROPERTY WORKING GROUP

The United Nations Environment Programme Finance Initiative (UNEP FI) is a unique global partnership between UNEP and the financial services sector. PRUPIM is currently working with and co-chairing the UNEP FI Property Working Group, a platform of financial institutions that collaborate to drive sustainable development to the heart of mainstream property finance.

In 2007, the UNEP FI Property Working Group surveyed the major markets across the globe to identify the most robust examples of emerging and innovative responsible property investment being carried out. The findings demonstrated that 'low and no cost' and 'value added' approaches towards responsible property investing are the most financially sound.



"Responsible property investors are showing they can simultaneously meet their social and fiduciary responsibilities and are being rewarded in many instances through competitive or increased returns."

Paul McNamara
Co-Chair of UNEP FI Property Working Group, and Head of Research at PRUPIM

USEFUL LINKS

- www.climatewise.org.uk
- www.unepfi.org
- www.carbontrust.co.uk
- www.prupim.com/site/media/documents/2930_Sustainable_Developments_Framework_Document.pdf

Financial Capability

Since 2001, our core Group CR programme has remained focused on financial capability and is based on the recognition that we need to play our part in enabling consumers to make the right decisions for their individual savings/financial needs. Such decisions range from debt management to savings. Informing and empowering consumers to make such decisions will, we believe, help to build better and more permanent relationships between consumers and providers.



Wendy van den Hende

IN THE UK

Financial Services Authority – UK Regulator
Prudential's Chairman, Sir David Clementi, sits on the FSA financial capability steering group that has designed the national financial capability strategy.

pfeg (Personal Finance Education Group)

Since 2001, Prudential's funding has enabled pfeg to ensure that quality and collaboration are central to its work. One particular success has been the Quality Mark accreditation system for financial capability teaching resources. This helps teachers feel confident that the resources they use to prepare students for the financial realities of adult life are of the highest standard.

Some 74 resources have been awarded the Quality Mark since its launch in 2001, with 15 assessed in 2007, with support from Prudential. All the Quality Mark resources are found on www.pfeg.org, with a synopsis of the resource, the topics it covers and how to obtain it.

Prudential's ongoing support will enable pfeg to increase the number of

Quality Marked resources, to widen the topics covered, to audit the existing information available to teachers, and undertake a gap analysis highlighting topics not currently covered.

Learning Money Matters, one of pfeg's flagship programmes, is an initiative supported by the FSA. Over a five year period, it will improve the quality and reach of financial education in secondary schools in England. By 2011 trained pfeg consultants will reach 4,000 state, independent and specialist secondary schools in England, giving 1.8 million pupils financial confidence and skills.

Increasing interest in personal finance education has led to the UK Government's Department for Children Schools and Families providing funding for a programme of comprehensive support for schools. This additional support to embed personal finance for all young people in England aims to leave a lasting legacy for financial capability work in schools. Prudential's support for developing high quality standards for personal finance education will remain a key feature.

"Personal finance education in schools has made excellent progress over the last 12 months with unprecedented commitment from the UK government. Continuing support from Prudential has been crucial in laying the foundations for what has been achieved."

Wendy van den Hende, Chief Executive, pfeg

KEY PERFORMANCE INDICATOR:

Continue to invest resources to help people to become more informed about their financial well-being and help build the long-term capacity of community organisations to provide independent financial education.



Citizens Advice

Citizens Advice is one of the most high-profile and trusted consumer-focused charities in the UK. Since 2002, Prudential has been its key partner in the Financial Skills for Life programme, following an initial pilot programme delivering financial capability training to hard to reach and low income groups through nine bureaux. Prudential has since supported personal financial education work by over 80 bureaux across England and Wales.

Prudential's continuing support for Citizens Advice has significantly enhanced its ability to provide learning resources for use by bureaux. In the last year this has included material specifically geared for those working with: young adults who are not in employment, education or training; migrant workers, and the elderly.

The Financial Skills for Life grant scheme has allowed Citizens Advice to establish 14 new regional fora, covering all of England and Wales and attracting some 500 participants.

Prudential supports the Citizens Advice vision that by 2010/11 all of its bureaux should be able to offer a financial education

service in their local communities. The Financial Skills for Life programme is central to that ambition, and to achieving a step change in financial understanding amongst those groups that need to make the most of their money.

National Institute of Adult Continuing Education (NIACE)

This year Prudential has continued to support NIACE in its work of assisting the adult learning profession to develop and deliver high quality financial education. The NIACE Research Fellow in Financial Education, a post funded by Prudential, promoted this work at many conferences and seminars both in the UK and in Europe. Having a dedicated specialist within NIACE has helped financial education spread into the work of other NIACE teams, ranging from work with older learners to spreading the word through the regions.

Prudential's support of NIACE since 2003 has helped develop and maintain the Money Matters to Me website, www.moneymatterstome.co.uk, which attracts around 50,000 hits each month. This year will also see the publication of a dedicated handbook for adult learning tutors helping them to use the website

in structured learning sessions. Plans are also well advanced to include elements of the 'Money Matters to Me' website on Kickstart TV, an innovative interactive digital television channel for learning and skills.

Another boost to financial education for adults has come from the merger between NIACE and The Basic Skills Agency. In addition to its renowned national work on literacy and numeracy in England and Wales, the agency has also pioneered the development of learning materials for delivering literacy and numeracy teaching in the context of personal finance.

Specialist Schools and Academies Trust (SSAT)

Prudential has been supporting the Specialist Schools and Academies Trust (SSAT) since October 2004, to develop Adding up to a Lifetime (AUTAL), an interactive resource to support the teaching of personal financial capability to young people aged 13-16.

The resource originated as an idea within Prudential and has been developed by SSAT. The material has been designed by teachers, for teachers, to enhance financial capability through learning activities based on five key life stages, from life as a student through to active retirement. The wealth of materials provided in the resource serves to engage and motivate young people of all abilities. They support the aims of the UK Government's 'Every Child Matters' agenda and the New Secondary Curriculum, including the area of economic well-being and financial capability. With more than 25 hours worth of activities, the resource offers schools the flexibility of personalised learning



From left to right: Mark Lazarowicz MP and Chair of the All-Party Parliamentary Group on Debt and Personal Finance; The Rt Hon Ed Balls MP, Secretary of State for Children, Schools and Families; Tina Christou, Group Head of Corporate Responsibility, Prudential plc and David Harker, Chief Executive, Citizens Advice

USEFUL LINKS

- www.moneymatterstome.co.uk
- www.pfeg.org
- www.financialskillsforlife.org.uk

Financial Capability

across a wide range of subject areas and curriculum models.

AUTAL achieved the pfg Quality Mark accreditation in 2006.

In Scotland, the resource has been adapted for the new Scottish curriculum and is being disseminated through Learning and Teaching Scotland, who recognise that developing financial capability is essential to addressing some of the problems of financial exclusion, and to allow Scotland to compete globally in the financial services sector.

In Northern Ireland, the resource is being disseminated to all secondary schools through the SSAT and the Council for the Curriculum Examinations and Assessments (CCEA).

Eleven AUTAL Schools Champions are now working to further raise awareness and use of the resource. AUTAL Champions are teachers currently using the resource with young people in their own schools. Their work involves showcasing the resource at local and national events, developing additional guidance to support teachers to use it within the curriculum and produce additional extension materials.

INTERNATIONALLY

Prudential's programme is not confined to the UK. We believe that the programme should parallel our geographic presence and take into account the widely varying cultural and economic needs of consumers today.

Financial Literacy/Capability Asia

The rapid growth of personal wealth in Asia coincides with a greater responsibility for individuals to provide for their own retirement and healthcare. In Asia, Prudential conducts 'Investing in Your Future' seminars to raise the level of financial capability among women, who often have responsibility for household finances despite their limited opportunities to learn the principles of sound money management. The seminars are delivered by Prudential's female executives who teach the basics of financial planning and highlight the key issues involved when making financial decisions at different life stages – single; married; family planning; child's education; retirement.

Prudential launched the 'Investing in Your Future' seminars in Beijing in 2004, in partnership with the Beijing Federation of Trade Unions, focusing on female employees at state-owned enterprises. Following its success in Beijing, Prudential extended the seminars to the Guangdong province in China, partnering with the Communist Youth League of China. The Guangdong programme focuses on young women workers in small and medium-sized enterprises.

In 2005, we extended the programme to Vietnam in partnership with the Government Labour Union (HCMC Confederation of Labour), which helps to connect Prudential with seminar participants at state-owned enterprises and other companies. In 2006, we further extended the seminars to India. This programme focuses on young women who work in hotels and call centres serving the local market. Prudential also piloted the 'Investing in your Future' seminars focusing on female factory workers in Malaysia in 2007.

Since the launch of 'Investing in Your Future', over 14,400 women have benefited from the seminars.

"As a lecturer, I believe the programme not only raises awareness of the importance of financial planning, it also shares best practices with female workers on how to develop sound money management skills."

Carrie Dai
CITIC Prudential Life, China



Carrie Dai of CITIC Prudential Life, China

"The programme is excellent. It has been very informative and an eye-opener in terms of making me aware of the various aspects of financial planning and money management."

Rekha Ramakrishnan
Officer, Sical Logistics, India

Insurance Education Programme

Since 2006, the Chinese government has actively promoted financial education. Prudential has collaborated with the China Insurance Regulatory Commission (CIRC) and the Chinese Academy of Social Science (CASS) to develop an insurance education programme targeting schools nationwide. In the first year, the pilot programme has been launched in 15 high schools across four provinces in China.



Financial Capability in the US

In the US, Jackson and Prudential have been supporting JA Worldwide® (Junior Achievement) as the title sponsor of the 'Junior Achievement Presents the NEFE High School Financial Planning Programme' since December 2007.

JA Worldwide® is the world's largest organisation dedicated to educating students about workforce readiness, entrepreneurship and financial literacy, reaching 8.3 million young people annually in 119 countries. It has partnered with the National Endowment for Financial Education (NEFE), an independent, non-profit foundation committed to educating Americans about personal finance.

The two organisations have been working together to expand the outreach of the 'Junior Achievement Presents the NEFE High School Financial Planning Programme', a practical and non-commercial course that is available at no cost to public and private high schools.

The programme introduces students to the importance of making wise financial choices. Students explore the role that money plays in achieving personal goals throughout life. They develop planning, goal setting and thoughtful decision-making skills that will help them protect themselves from the unexpected financial pitfalls that plague so many adults. Support from Jackson and Prudential will enable JA Worldwide® to roll out the programme across the US.

Shareholders/Investors

As a major international financial services group, we are acutely aware of the importance of maintaining good relations with our shareholders and investors. It is also important that our CR programme plays an integral part in ensuring that we deliver long-term shareholder value and that our performance in responsible investment indices provides confidence to our shareholders that we are managing our key social and environmental issues.



Paul Dickinson

KEY PERFORMANCE INDICATOR:

Continue to maintain effective dialogue with our shareholders and investors on our Group CR programme.

RECOGNISING PERFORMANCE

We continue to engage with a range of external ratings agencies and partners to assess our CR performance.

We have been included in the UK FTSE4Good index since its inception, demonstrating to investors and other stakeholders that we are committed to high standards of responsible business practice but it also demonstrates that we have rigorous policies and systems in place to manage social, environmental and ethical risks. It also provides a framework for open and transparent reporting on performance and serves as a benchmark against peers and competitors.

INVESTMENT COMMUNITY

We actively engage with shareholders, analysts and potential investors through an active schedule of investor meetings, web-based communications including webcasts and our Annual General Meeting.

We also present our sustainability performance to both financial and sustainability analysts specifically interested in the social and environmental performance of companies.

In 2007, we met several investment houses to discuss a range of issues, from our financial capability programme, to climate change and CR governance.

CARBON DISCLOSURE PROJECT

The Carbon Disclosure Project (CDP) is an independent, not-for-profit organisation that provides a coordinating role for institutional investors who are seeking information on the business risks and opportunities presented by climate change. The CDP website is the largest repository of corporate greenhouse gas emissions data in the world. Prudential is both a signatory and provider of environmental data.

"Prudential plc has been a participating signatory of the CDP since 2003 and is one of 1,300 companies providing information on climate change. Over 385 global investors now request this information."

Paul Dickinson, Chief Executive Officer, Carbon Disclosure Project

Supply Chain

KEY PERFORMANCE INDICATOR:

To work with suppliers to maximise the beneficial social impact of our business and minimise the environmental impact of our business.

We recognise that our own social, environmental and economic impact goes beyond the products and services we provide, to include the performance of our suppliers and contractors. Therefore, our policy is to work in partnership with suppliers who operate with policies and procedures consistent with the standards set out in our Group Code of Business Conduct (the Code), and to help them reduce their impact on the environment.

PRUDENTIAL UK CR SUPPLY CHAIN PROGRAMME

The UK purchasing and strategic sourcing team has been developing its CR supply chain programme since 2002, focusing on those suppliers who potentially pose the greatest environmental and social risk, based on responses to our pre-assessment questionnaire. Our CR questions ask for each supplier's stance on environmental management practices, the United Nations Universal Declaration of Human Rights and the International Labour Organisation (ILO) core labour standards and how these affect their own employees. As a result we have identified 65 suppliers to work with on the programme.

We have developed a new toolkit on how to work with suppliers to help them improve their scores on the questionnaire, and identify what actions they can take. This has been developed in line with the principles of ISO 14001 standard.

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

PRUPIM SUPPLY CHAIN PROGRAMME

All PRUPIM's procurement, other than construction procurement, is managed by Buying Force. With around £75 million of purchasing power, Buying Force's ability to deliver considerable value to the procurement process is significant. We ensure high levels of compliance with sustainability standards.

Compliance with sustainability standards has been an integral part of Buying Force's supplier selection and appraisal criteria for several years. Since 2006, suppliers are required to complete a self-assessment form, including a sustainability assessment, to determine the extent to which sustainability is addressed by each supplier. It will also be used to ensure that performance in this area is continually challenged, standards are maintained, and consistent poor performers are removed from our preferred list.

CORPORATE PROPERTY – UK SUPPLY CHAIN PROGRAMME

Corporate Property, the team that manages Prudential's own occupation of buildings, has teamed up with the Carbon Disclosure Project (CDP), an independent not-for-profit organisation, which aims to facilitate a response to climate change, and some of

During 2007, PRUPIM made a commitment to purchase Forest Stewardship Council (FSC) timber and, in cases where it proves unavailable, to obtain assurance that the timber originates from known and legal sources. This commitment relates to all timber products purchased through its facilities management department.



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the largest purchasing global organisations under the CDP Supply Chain Leadership Collaboration (SCLC). CDP is working with these global companies and their suppliers to create a single standardised survey, to elicit key climate change information throughout their supply chains.

Each member of the SCLC has selected up to 50 suppliers to work on the programme. The results will help customers and suppliers work together to develop strategies to reduce their carbon footprints. Some members will work with suppliers at national level, others will work internationally. The project will be rolled out from May 2008.

ENVIRONMENTAL SUPPLY CHAIN ASSESSMENT – BUSINESS TRAVEL

As a growing international organisation, we recognise that our overall travel emissions are a concern. Reducing them while continuing to meet business and customer needs is complex and we recognise we have more work to do in this area. We have commissioned Trucost, an environmental research organisation, to review some of the environmental impacts. This will help to inform our future decisions about business travel.

"We are keen to work with and learn from our clients and suppliers to find areas where we can get better performance for all of our stakeholders and improve our impacts on the communities in which we work. We are delighted to be engaged in a long-term relationship with Prudential UK. We are finding that more of our clients and suppliers want to engage with us on CR initiatives in this way, which we greatly welcome."

Gordon Hurst, Group Finance Director, The Capita Group Plc

Group Code of Business Conduct

Each business should operate with policies and procedures which are consistent with the values and the standards set out in this Code and the requirements of the Group Governance Manual, details of which can be found on the Group's intranet. The following standards of conduct apply to all employees and other persons acting on behalf of the Group. In particular, the Group's senior management has a special responsibility to lead according to these standards.

1. ALL DEALINGS

- 1.1 Engage in honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
- 1.2 Maintain effective procedures to prevent confidential information being misused and make it clear that the use of confidential information for personal and corporate gain will not be tolerated.
- 1.3 Advance the legitimate interests of the Group, having regard to our values and standards, as set out in this Code and the Group Governance Manual.
- 1.4 Comply with all applicable laws, rules and regulations in every country in which we operate.
- 1.5 Comply with anti-money laundering and counter-terrorist financing practice, law and legislation in all countries and territories in which we operate.

2. DEALINGS WITH CUSTOMERS

- 2.1 Treat customers fairly, openly and honestly.
- 2.2 Provide high standards of service.
- 2.3 Operate effective complaints processes to deal with situations where these standards are challenged.
- 2.4 Aim to provide and promote a range of products and services that meet customer needs and are readily understandable.
- 2.5 Maintain the confidentiality of customer information, save where the law requires or permits disclosure, or the customer has given prior written consent.

3. DEALINGS WITH SHAREHOLDERS, THE COMPANIES IN WHICH WE INVEST AND THE PUBLIC

- 3.1 Maximise shareholder value over time, recognising that wealth generated also benefits customers and employees as well as the communities within which we operate.
- 3.2 Keep accounting records which accurately disclose the financial position of the business and issue financial statements to ensure transparency of information on the Group's financial performance.

3.3 Communicate business policies, achievements and prospects honestly.

3.4 Where appropriate communicate with companies in which we invest as part of the normal investment management process and debate any departures from our values and standards.

3.5 Provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Group publicly releases and/or files or submits to appropriate authorities and comply with all laws and regulations such as the UK Listing Rules and the US Sarbanes-Oxley Act.

4. DEALINGS WITH EMPLOYEES

- 4.1 Maintain a working environment that provides appropriate remuneration.
- 4.2 Maintain a working environment that provides training and opportunities for personal development.
- 4.3 Be intolerant of discrimination, harassment or victimisation. Recognise diversity in recruitment and dealings with employees. Create a favourable employee relations environment in which the involvement of all employees is encouraged.
- 4.4 Support employees who become aware of and are willing to report business malpractice and have in place procedures to enable people who have a substantial reason to believe that malpractice is occurring, has occurred or is likely to occur within the business to raise issues internally without fear or recrimination.
- 4.5 Provide a clean, healthy and safe work environment, stressing the obligation on all employees to take every reasonable precaution to avoid injury to colleagues and members of the public.
- 4.6 Prohibit the illegal use of drugs on our premises and encourage any member of the Group with an alcohol or drug dependency to seek help.
- 4.7 Prohibit the use of forced or child labour.

5. DEALINGS WITH SUPPLIERS OF GOODS AND SERVICES

5.1 Maintain the highest possible standards of integrity in business relationships with suppliers.

5.2 Encourage the use of those suppliers who operate with values and standards equivalent to ours.

5.3 Work together with suppliers to improve all aspects of performance.

5.4 Agree terms of payment when orders for goods and services are placed and pay in accordance with those terms.

6. DEALINGS WITH COMMUNITIES

- 6.1 Contribute to the social and economic well being of those communities where we are an employer.
- 6.2 Encourage employees to participate in projects and initiatives to strengthen those communities.
- 6.3 Work to minimise adverse environmental impact of our business operations and to achieve group environmental policy targets.
- 6.4 Ensure that we conduct our activities, so far as possible, in a manner sensitive to the cultural and social traditions of communities with which we come into contact.

7. DEALING WITH COMPETITORS

- 7.1 Conduct business in accordance with our Code of Conduct and compete vigorously but honestly.
- 7.2 Avoid disclosing proprietary or confidential information in any contact with competitors.

8. DEALING WITH GOVERNMENTS AND REGULATORS

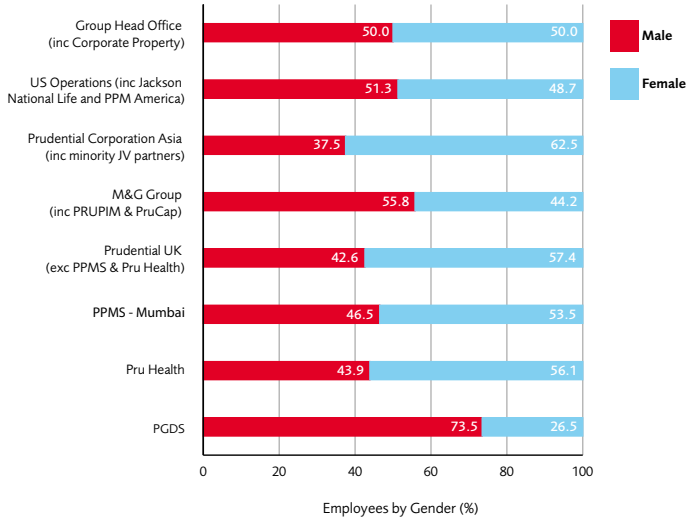
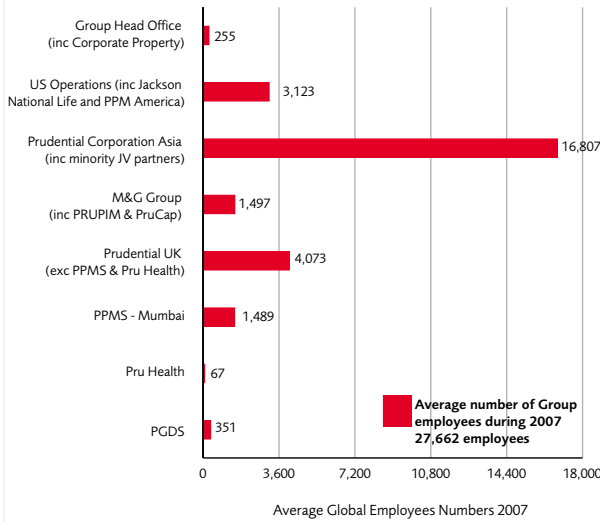
8.1 Maintain a constructive and open relationship with governments and regulators to foster mutual trust, respect and understanding.

9. COMPLIANCE WITH THIS CODE OF CONDUCT

- 9.1 Businesses will explain to employees our values, the standards required under this Code and any associated responsibilities.
- 9.2 Businesses must be able to demonstrate that procedures are in place to ensure compliance with all requirements under this Code and periodic audit will be undertaken by internal audit.
- 9.3 Failure to comply with this Code or the Group Governance Manual may lead to disciplinary action and, where breaches of the law take place, may lead to criminal proceedings against the individual or individuals concerned.

Performance Data

EMPLOYEES



DIVERSITY STATISTICS

GROUP HEAD OFFICE (inc Corporate Property)

	Asian	Black	White	Other	Undisc.
Staff	1.4%	3.4%	78.2%	3.4%	13.6%
Management	2.1%	1.1%	68.8%	0.0%	28.0%
Senior Management	0.0%	0.0%	85.7%	0.0%	14.3%
Total	1.5%	2.2%	75.2%	1.8%	19.3%

PRUDENTIAL UK (exc PPMS & PruHealth)

	Asian	Black	White	Other	Undisc.
Staff	3.1%	1.1%	86.5%	0.3%	9.0%
Management	1.9%	0.0%	92.0%	1.4%	4.7%
Senior Management	0.0%	0.0%	86.0%	0.0%	14.0%
Total	3.0%	1.1%	86.7%	0.3%	8.9%

US OPERATIONS (inc Jackson National Life and PPM America)

	Asian	Black	White	Other	Undisc.
Staff	4.8%	5.8%	83.9%	5.2%	0.3%
Management	2.4%	1.8%	91.4%	4.4%	0.0%
Senior Management	3.9%	1.1%	92.8%	2.2%	0.0%
Total	4.5%	5.2%	85.1%	5.0%	0.2%

PPMS - MUMBAI¹

	Asian	Black	White	Other	Undisc.
Staff	99.7%	0.0%	0.0%	0.0%	0.3%
Management	100.0%	0.0%	0.0%	0.0%	0.0%
Senior Management	100.0%	0.0%	0.0%	0.0%	0.0%
Total	99.7%	0.0%	0.0%	0.0%	0.3%

PRUDENTIAL CORPORATION ASIA (exc minority joint venture partners)

	Asian	Black	White	Other	Undisc.
Staff	99.7%	0.0%	0.3%	0.0%	0.0%
Management	98.1%	0.0%	1.7%	0.2%	0.0%
Senior Management	82.1%	0.0%	16.4%	1.5%	0.0%
Total	98.9%	0.0%	1.0%	0.1%	0.0%

PRUHEALTH

	Asian	Black	White	Other	Undisc.
Staff	2.0%	0.0%	36.2%	2.0%	59.8%
Management	0.0%	3.6%	35.7%	0.0%	60.7%
Senior Management	11.1%	0.0%	44.5%	0.0%	44.4%
Total	2.2%	0.7%	36.7%	1.4%	59.0%

M&G GROUP (inc PRUPIM & PruCap)

	Asian	Black	White	Other	Undisc.
Staff	7.1%	3.2%	79.6%	1.2%	8.9%
Management	2.5%	0.4%	89.5%	0.0%	7.6%
Senior Management	3.6%	0.0%	96.4%	0.0%	0.0%
Total	6.2%	2.7%	81.6%	1.0%	8.5%

PGDS²

	Asian	Black	White	Other	Undisc.
Staff	3.3%	2.4%	88.1%	0.9%	5.3%
Management	0.0%	0.0%	100.0%	0.0%	0.0%
Senior Management	0.0%	0.0%	66.7%	0.0%	33.3%
Total	3.1%	2.3%	88.3%	0.9%	5.4%

¹ Prudential Process Management Services.

² Prudential Global Data Services.

All data as at 31 December 2007

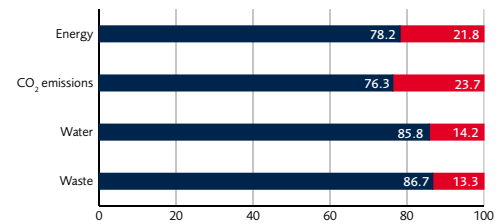
ENVIRONMENT

For all buildings in the UK and Jackson's main premises in North America (Lansing and Denver), we assess the direct impact of our investment property portfolio and our occupied properties on the environment by monitoring their energy consumption, carbon dioxide emissions, particulate matter emissions (UK only), water consumption, waste and recycling, and (for our UK offices only) paper consumption and business travel mileage.

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

This is the first year in which environmental performance data has been collated for our main premises in North America, and comparative data is not available for any prior periods.

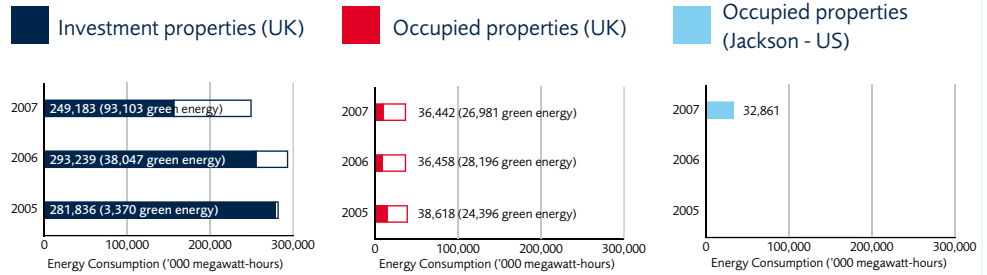
Relative contribution of investment and occupied properties to our environmental impact (%)



NOTES

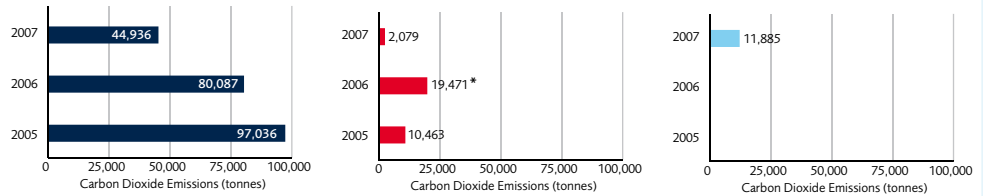
Energy consumption

Energy consumption is taken from supplier invoices agreed against meter readings. For the few occupied properties where meter readings are not available, we have calculated an average based on per capita usage in other occupied properties.



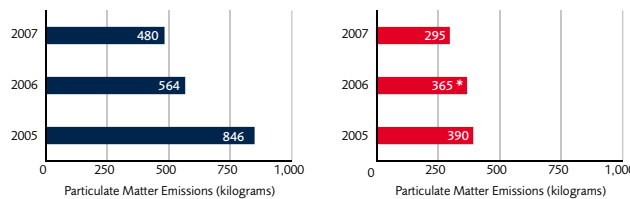
Carbon dioxide

Carbon dioxide (CO₂) emissions are calculated using DEFRA average rates for carbon dioxide emissions.



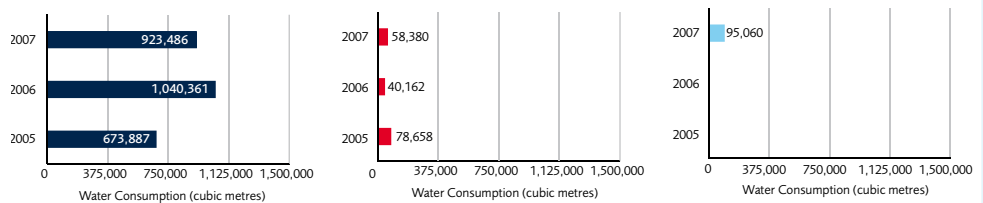
Particulate matter emissions

Particulate matter (PM₁₀) emissions are calculated using DEFRA, NAEI and DfT average rates for particulate matter emissions from fuel, tyre and brake wear.



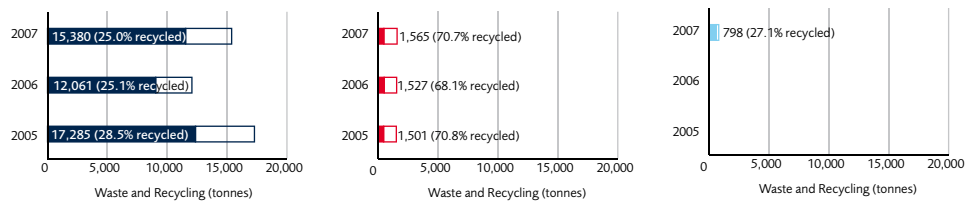
Water consumption

Water consumption is taken from supplier invoices agreed against meter readings. For the few occupied properties where meter readings are not available, we have calculated an average based on per capita usage in other occupied properties.



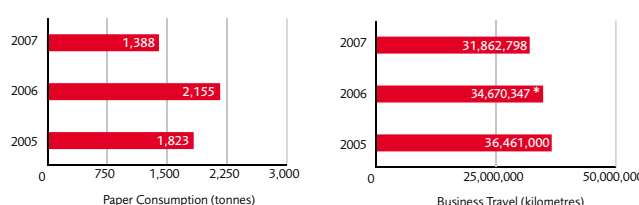
Waste and recycling

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 some recycling initiatives (e.g. recycled fluorescent tubes) are not tracked or measured by weight.



Paper consumption and business travel

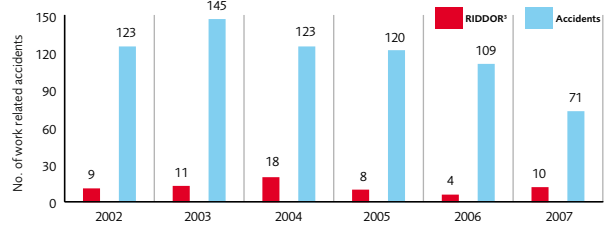
Paper consumption is taken from supplier invoices agreed against goods received. Business travel distance is taken from expense forms (for private car business travel) and statements received from our corporate travel agency (for rail and air travel). Other travel paid through expense claims is not captured, and this figure will therefore be understated.



* Figures previously reported in 2006 were understated due to reporting system incompatibilities which have since been resolved.

HEALTH AND SAFETY PERFORMANCE

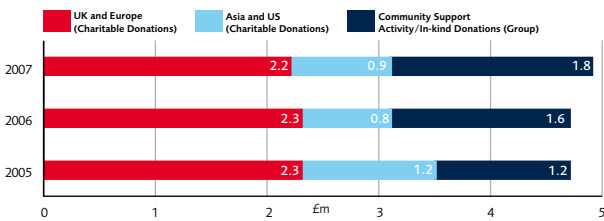
In the UK, Prudential has analysed work-related accidents since 2000. Corporate Property has now made a commitment to report this data and other relevant statistics periodically. The data to the right relates to Prudential occupied properties located in the UK.



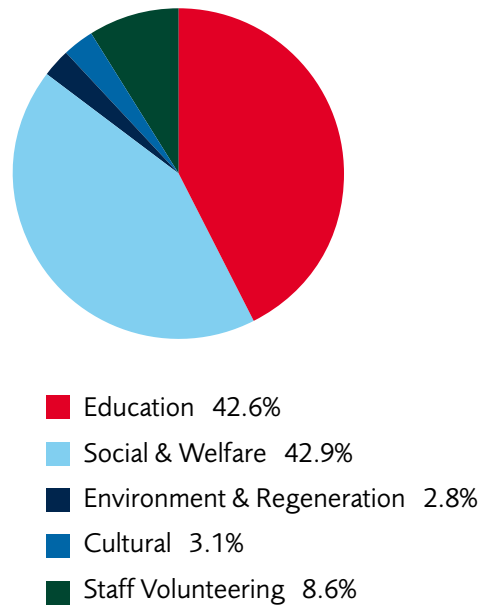
COMMUNITY INVESTMENT

Prudential is committed to supporting the communities where it is an employer. In 2007 the Group spent £4.9 million in support of the community. Within this, direct donations to charitable organisations amounted to £3.1 million.

Broken down by region



Broken down by category



Community investment as at 31 December 2007. Data compiled using the London Benchmarking Group Model. It is the Group's policy not to make donations to political parties nor to incur political expenditure, within the meaning of those expressions as defined in the Political Parties, Elections and Referendums Act 2000, and the Group did not make any such donations or incur any such expenditure in 2007.

³ RIDDOR: Reporting of Injuries and Diseases and Dangerous Occurrences Regulations. All data as at 31 December 2007

We welcome feedback and comments on our CR programme.

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Our CR report and webcast are available on-line at www.prudential.co.uk/prudential-plc/cr



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