

UK Gender Pay Gap Report 2018

M&GPrudential

I Introduction



John Foley
Chief Executive,
M&G Prudential

Creating the right culture at M&G Prudential is critical to our success, which is why promoting respect, diversity and high-performance in the workplace underpins what we do. We are proud to employ people from a wide range of backgrounds, experience, skills and levels of ambition.

This is the second year we have published gender pay gap data measuring the difference between the aggregate pay for all men and women, across our five businesses with 250 or more employees. While women and men continue to be paid equally for performing equivalent roles in all our business entities, we do still have a gender pay gap. This is because we, like many others in our industry, currently have more men than women in leadership and senior operational roles across our UK businesses.

To close the gender pay gap, we must achieve better representation of women in all roles and at all levels of our business. We know it will take time to achieve greater gender balance. However, we are absolutely committed to building on the progress that has been made since last year, and continuing to ensure diversity and inclusion is a strategic objective as we move forward with the unification of Prudential UK and M&G.

This commitment has to be led from the top. In my new leadership team at M&G Prudential 37.5% of the roles are held by women. I am now working closely with our Chair on a proposed Board of Directors that will also be representative of our commitment.

A handwritten signature in dark ink, appearing to be 'J. Foley', written over a light blue horizontal line.

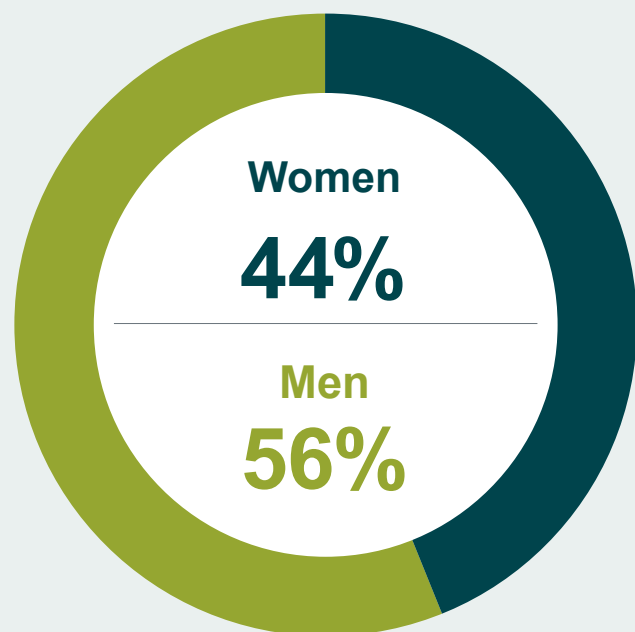
Gender pay gap reporting

The **gender pay gap** is a measure of the difference between the average pay and bonus of men and women across an organisation irrespective of role and seniority.

This is different to **equal pay**, which is the legal requirement to pay the same to men and women who are doing work of equal value.

| Who this data includes

The data presented here is for M&GPrudential's 5,040 UK-based employees. The mix of men and women in our UK workforce is currently:



For the purposes of the Gender Pay Gap reporting requirements, M&GPrudential comprises the following entities with more than 250 people as of April 2018:

- M&G Limited;
- Prudential Distribution Limited;
- Prudential Financial Planning Limited;
- Prudential UK Services Limited; and
- PGDS (UK One) Limited.

The report also outlines the reasons for the gap and the active steps being taken to address it.



M&G Limited's 2018 UK gender pay gap

Fixed pay

including salaries and cash allowances

29.8%

The **average (mean)** hourly rate of fixed pay received by male employees is 29.8 per cent more than the average (mean) hourly rate received by female employees.

29.6%

The **midpoint (median)** of the range of rates of hourly fixed pay received by male employees is 29.6 per cent more than the midpoint (median) of the range of rates of hourly fixed pay received by female employees.

Bonus pay

including bonuses and long-term incentives

80.4%

The **average (mean)** value of bonus pay received by male employees is 80.4 per cent more than the average (mean) value of bonus pay received by female employees.

58.3%

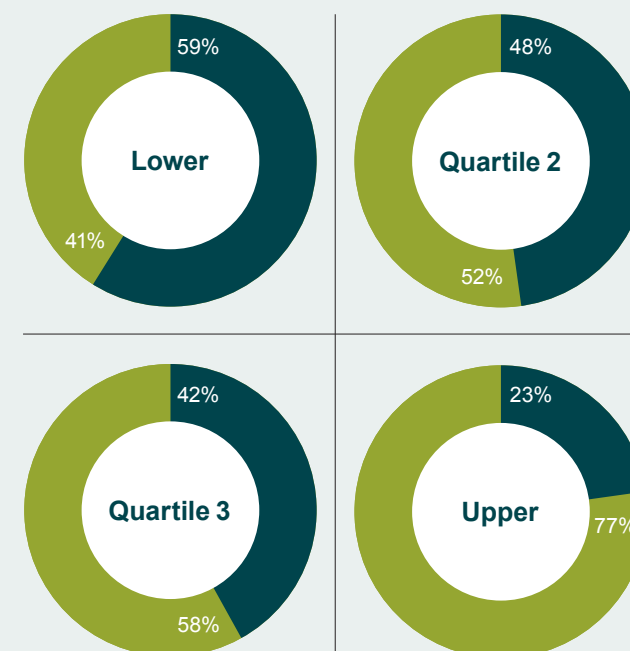
The **midpoint (median)** of the range of the values of bonus pay received by male employees is 58.3 per cent more than the midpoint (median) of the range of the values of bonus pay received by female employees.



94 per cent of male employees and 92 per cent of female employees received a bonus.

Proportion of males and females by pay quartile

The charts below show the gender balance of UK employees in each pay band (dividing our UK employees into four equal bands):



● Females
● Males

I can confirm that the information contained in this report is accurate.

John Foley
Chief Executive
M&GPrudential

Prudential Distribution Limited's 2018 UK gender pay gap

Fixed pay

including salaries and cash allowances

19.9%

The **average (mean)** hourly rate of fixed pay received by male employees is 19.9 per cent more than the average (mean) hourly rate received by female employees.

24.4%

The **midpoint (median)** of the range of rates of hourly fixed pay received by male employees is 24.4 per cent more than the midpoint (median) of the range of rates of hourly fixed pay received by female employees.

In the first year of publication, we reported a mean pay gap of 18.5 per cent and a median pay gap of 24.4 per cent.

I can confirm that the information contained in this report is accurate.



Clare Bousfield
Chief Financial Officer
M&GPrudential

Bonus pay

including bonuses and long-term incentives

57.7%

The **average (mean)** value of bonus pay received by male employees is 57.7 per cent more than the average (mean) value of bonus pay received by female employees.

33.2%

The **midpoint (median)** of the range of the values of bonus pay received by male employees is 33.2 per cent more than the midpoint (median) of the range of the values of bonus pay received by female employees.

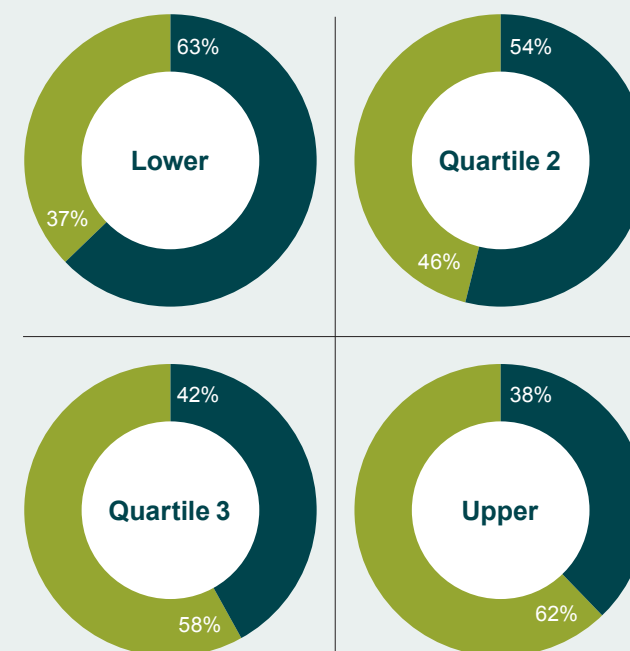
In the first year of publication, we reported a mean bonus gap of 61.4 per cent and a median bonus gap of 39.3 per cent.



95 per cent of male employees and 94 per cent of female employees received a bonus.

Proportion of males and females by pay quartile

The charts below show the gender balance of UK employees in each pay band (dividing our UK employees into four equal bands):



● Females
● Males

Prudential Financial Planning's 2018 UK gender pay gap

Fixed pay

including salaries and cash allowances

6.3%

The **average (mean)** hourly rate of fixed pay received by male employees is 6.3 per cent more than the average (mean) hourly rate received by female employees.

0.1%

The **midpoint (median)** of the range of rates of hourly fixed pay received by male employees is 0.1 per cent less than the midpoint (median) of the range of rates of hourly fixed pay received by female employees.

In the first year of publication, we reported a mean pay gap of 7.8 per cent and a median pay gap of 4.1 per cent

I can confirm that the information contained in this report is accurate.



Chris Haines
CEO
Prudential Financial Planning

Bonus pay

including bonuses and long-term incentives

13.3%

The **average (mean)** value of bonus pay received by male employees is 13.3 per cent more than the average (mean) value of bonus pay received by female employees.

8.1%

The **midpoint (median)** of the range of the values of bonus pay received by male employees is 8.1 per cent more than the midpoint (median) of the range of the values of bonus pay received by female employees.

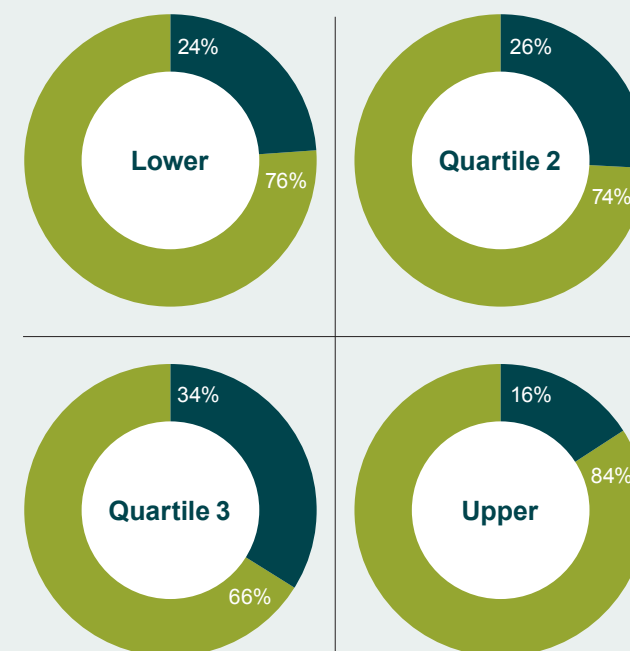
In the first year of publication, we reported a mean bonus gap of 17.9 per cent and a median bonus gap of 10.2 per cent.



87 per cent of male employees and 86 per cent of female employees received a bonus.

Proportion of males and females by pay quartile

The charts below show the gender balance of UK employees in each pay band (dividing our UK employees into four equal bands):



● Females
● Males

Prudential UK Services Limited's 2018 UK gender pay gap

Fixed pay

including salaries and cash allowances

14.5%

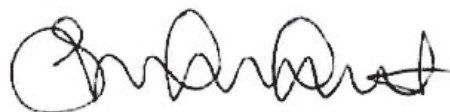
The **average (mean)** hourly rate of fixed pay received by male employees is 14.5 per cent more than the average (mean) hourly rate received by female employees.

17.5%

The **midpoint (median)** of the range of rates of hourly fixed pay received by male employees is 17.5 per cent more than the midpoint (median) of the range of rates of hourly fixed pay received by female employees.

In the first year of publication, we reported a mean pay gap of 18 per cent and a median pay gap of 14.5 per cent.

I can confirm that the information contained in this report is accurate.



Simon Moffatt
HR Chief Operating Officer
M&GPrudential

Bonus pay

including bonuses and long-term incentives

19.5%

The **average (mean)** value of bonus pay received by male employees is 19.5 per cent more than the average (mean) value of bonus pay received by female employees.

27.5%

The **midpoint (median)** of the range of the values of bonus pay received by male employees is 27.5 per cent more than the midpoint (median) of the range of the values of bonus pay received by female employees.

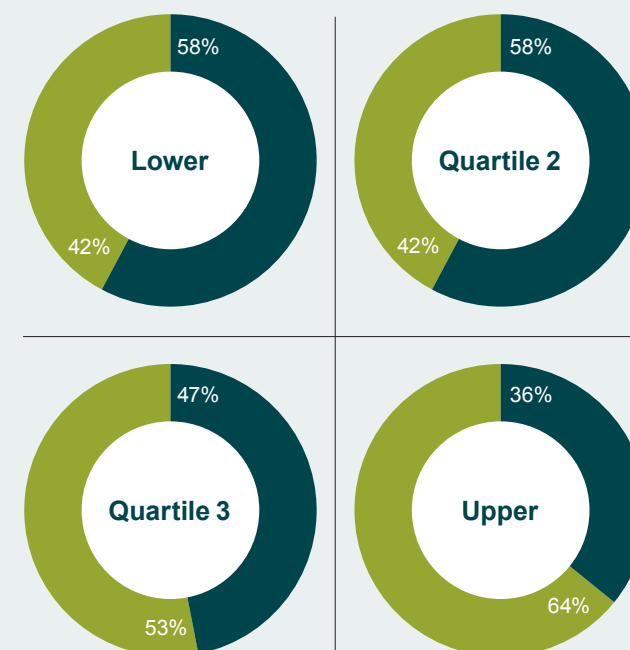
In the first year of publication, we reported a mean bonus gap of 53.0 per cent and a median bonus gap of 36.4 per cent.



93 per cent of male employees and 97 per cent of female employees received a bonus.

Proportion of males and females by pay quartile

The charts below show the gender balance of UK employees in each pay band (dividing our UK employees into four equal bands):



● Females
● Males

PGDS (UK One) Limited's 2018 UK gender pay gap

Fixed pay

including salaries and cash allowances

15.3%

The **average (mean)** hourly rate of fixed pay received by male employees is 15.3 per cent more than the average (mean) hourly rate received by female employees.

14.5%

The **midpoint (median)** of the range of rates of hourly fixed pay received by male employees is 14.5 per cent more than the midpoint (median) of the range of rates of hourly fixed pay received by female employees.

In the first year of publication, we reported a mean pay gap of 14.1 per cent and a median pay gap of 11.4 per cent.

I can confirm that the information contained in this report is accurate.



Chris Cochrane
Chief Information Technology Officer
M&GPrudential

Bonus pay

including bonuses and long-term incentives

32.8%

The **average (mean)** value of bonus pay received by male employees is 32.8 per cent more than the average (mean) value of bonus pay received by female employees.

29.7%

The **midpoint (median)** of the range of the values of bonus pay received by male employees is 29.7 per cent more than the midpoint (median) of the range of the values of bonus pay received by female employees.

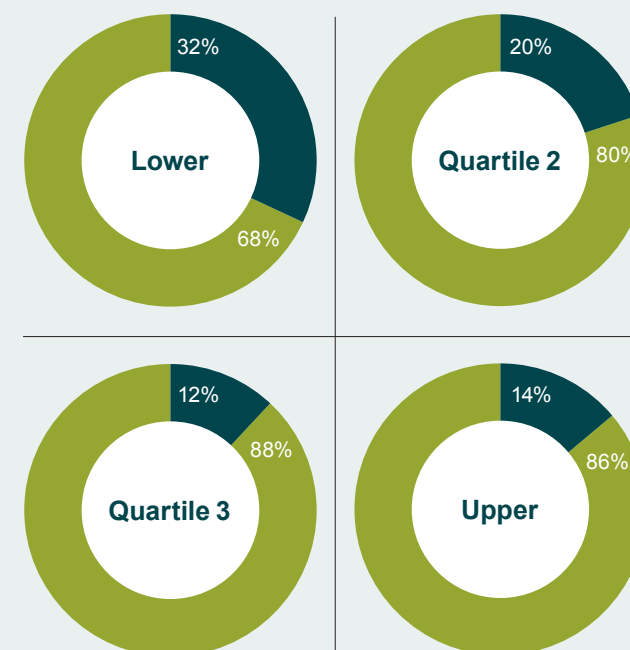
In the first year of publication, we reported a mean bonus gap of 25.1 per cent and a median bonus gap of 28.1 per cent.

Females	97%
Males	96%

96 per cent of male employees and 97 per cent of female employees received a bonus.

Proportion of males and females by pay quartile

The charts below show the gender balance of UK employees in each pay band (dividing our UK employees into four equal bands):



● Females
● Males

I The reasons for the gender pay gap

These figures demonstrate the demographic challenges facing our UK businesses and the financial services sector as a whole.

- There are more men than women in leadership, investment management, sales and senior operational roles; and
- There are more women than men in administrative and support roles.

The gap in bonus pay is higher than the gap in fixed pay because:

- There are more men than women in those roles with higher incentive opportunities, that is, leadership, investment management and sales roles; and
- Our part-time employees receive bonuses which are adjusted to reflect the hours that they work. However, this is not recognised in the calculation of the gender bonus gap. The majority of part-time staff are women:
 - In M&G Ltd, 18 per cent of women work part-time compared to 1.5 per cent of men;
 - In Prudential Distribution Limited, 21 per cent of women work part-time compared to 1 per cent of men;
 - In Prudential Financial Planning Limited, 15 per cent of women work part-time compared to 1 per cent of men;
 - In Prudential UK Services Limited, 19 per cent of women work part-time compared to 1 per cent of men; and
 - In PGDS (UK One) Limited, 26 per cent of women work part-time compared to 1 per cent of men.



| Addressing the gender pay gap

To narrow the gender pay gap, we must achieve better representation of women in all roles at all levels of our organisation, especially in leadership and other senior positions.

Our parent company, Prudential plc, has signed HM Treasury's Women in Finance Charter, committing that 30 per cent of the group's 100 most pivotal roles will be women by the end of 2021. Progress towards this target determines whether part of leaders' long-term incentive awards are released. We understand there is no single or quick solution to the gender imbalance which exists in our business today, particularly given our low rate of staff turnover. There are, however, several specific steps we are taking across M&G Prudential to improve our gender balance:

Building a strong pipeline of junior female talent in investment and commercial areas of the business

- We aim to have a gender-balanced intake of talent on our graduate and apprenticeship programmes. 55 per cent of the 2018 graduate intake is female (2017: 39 per cent; 2016: 44 per cent).
- We operate a strengths-based recruitment policy to give every candidate the opportunity to shine. We also recruit from a broad range of universities, without requiring any specific degree subject to be accepted onto our graduate programme.
- We host Women in Investment Management events that target female undergraduates considering a career in investment management.

Developing female talent to strengthen the leadership pipeline

- We work with diversity-focused search firms who go beyond simply providing gender-balanced long and shortlists to help us think creatively about how we shape roles to attract senior female talent.
- In 2018, we launched a cross-company mentoring programme successfully matching 20 individuals with mentors/mentees in other financial and professional services firms. 60 per cent of those participating in the programme are female.
- We offer coaching programmes across the business to further develop our rising talent. 49 per cent of the employees who received coaching in 2018 were female.
- We have launched an inclusive development initiative working with Getting On Board, to support talent development through placements in non-executive roles on the boards of charities. 59 per cent of those who applied successfully in 2018 are female.

Supporting families and flexible working practices

- We continue to support enhanced flexible working practices and more agile ways of working, enabled by improvements to the technology we employ, which allow our people more control over when, where and how they work.
- A 'Future of Work Community' has come together to consider how we should continue to adapt our working practices to meet the future needs of our employees as our workforce becomes increasingly diverse, multi-generational and digitally enabled.
- In London we are a member of City Parents, supporting City professionals who have a shared interest in balancing home/family life with a progressive career through networking, events, seminars and coaching.
- M&G was awarded Workingmums.co.uk's Top Employer Award for Family Support in 2018 with the judges singling out, in particular, our mental health awareness network, Mind Matters.

| Challenging unconsciously-held stereotypes

Following on from 188 senior leaders in the UK business participating in unconscious bias workshops in early 2018, we continued our work to challenge mindsets which may disadvantage certain groups of colleagues and candidates, and we committed to ensuring that all of our colleagues receive mandatory unconscious bias training. To achieve this, a new online training programme was created, and all colleagues and new starters in our M&GPrudential business have completed this in 2018. This training focuses on:

- What unconscious bias is and how it works;
- How it relates to key aspects of our lives at work; and
- Steps that you can take to manage or reduce bias within the workplace.

Conclusion

Change will not happen overnight but our Board and senior leadership teams across M&GPrudential are firmly committed to working towards narrowing our gender pay gap. To that end, we have recruited a Head of Diversity and Inclusion, who will be responsible for shaping and delivering our diversity and inclusion strategy for the future.

