

Strategic Report for the Year Ended 31 December 2022

The Directors have regard to the matters as set out in section 172(1) of the Companies Act 2016 (CA 2016) as detailed below.

(a) The likely consequences of any decision in the long term

The Directors regularly assess the Company's strategy from both a commercial and risk perspective to ensure the long term consequences of any strategic decision are understood and taken into account.

The ongoing market volatility as a result of the Ukraine conflict, high inflation and more recently the seizure of Silicon Valley Bank and Signature Bank by US regulators and UBS Group acquiring Credit Suisse has been monitored. The Directors do not consider the impact of these events to be material and have been able to continue to pursue their long term strategic goals.

As part of its strategy, the Group incorporated an Irish UCITs management company in July 2021, with the aim of managing UCITs Funds, including providing investment management, fund administration and distribution services. Regulatory approval was received from the Central Bank of Ireland in December 2022. In addition, PGIM Netherlands B.V. opened a representative office in Paris in December 2022 to pursue general brand building activities as well as more specific marketing activities for institutional and professional clients in continental Europe.

The Directors consider the potential impact of the aforementioned macro-economic events and regulatory change, for example the impact of the UK Investment Firms Prudential Regime from 1 January 2022, on the performance, cash flows and capital of the Company when assessing whether the Company has sufficient liquidity and capital adequacy to make dividend payments and to meet its obligations as they fall due. No dividend payments were made during the year (2021: £40.0m).

The Directors are mindful of the environmental and social impact of the long term decisions made within the Company and ESG teams within the Group support the management of the Company with its Environmental and Social Governance.

(b) The interests of the Company's employees

The Group views its employees as fundamental to the success of the business. The Directors take active steps to ensure that the suggestions, views and interests of the workforce are captured and considered in their decision-making.

Following the pandemic, the Group operates a hybrid working model with the vast majority of employees in the office at least 2/3 days per week, dependent on role. The Group has continued to focus on employee wellbeing and has a number support programs and initiatives. These include:

- Expanding PGIM's Wellbeing at Work initiative - wellbeing ambassadors, virtual events with guest speakers, promotion of a health & wellbeing app (Ondo), introduction of regular Wellness Walks;
- Certified Mental Health First Aiders as part of a global mental health Champion initiative
- Subscription to mindfulness application;
- Menopause support program;
- Global inclusion groups
- Regular European DEI newsletter to share information with employees and ensure transparency
- Added communications about support programs

The Group also has a number of effective workforce engagement mechanisms in place.

(i) Employees are kept informed of Group performance and provided with relevant business updates through regular company-wide Town Halls from the management team as well as regular business briefings. Regular announcements and video blogs updates by senior management are also made available on the intranet site.

(ii) There is an annual performance management process for all employees that provides a forum for feedback by individuals, peers and managers.

(iii) The Head of HR EMEA is a director of the Company, and regularly provides updates on employee-related matters, including workforce demographics, engagement activities, the results of employee surveys, staff retention rates, diversity & inclusion, pay and reward and HR initiatives.

(iv) In order to ensure that the Group continues to retain, develop and attract talent, the Group has a competitive reward structure in place, which provides a wide range of benefits covering health and well-being, lifestyle and family. The Group reviews and enhances its benefits packages on an ongoing basis and seeks input from employees to better accommodate their personal circumstances and needs.

(v) Employees are supported and encouraged to leverage the resources of the PGIM global network. On-going on the job training as well as online or in person training is provided to support individual professional development.

(vi) All employees were asked to participate in an online Global Employee Engagement Survey in July 2022. The results are communicated to senior management who have committed to act on the feedback and help inform and improve subsequent HR initiatives.

(c) The need to foster the Company's business relationships with suppliers, customers and others

The Company works to foster positive business relationships with suppliers, customers and other stakeholders. Relationships with customers are governed by written contracts to ensure transparency and clarity of expectation of performance.

The Company has established good working relationships with its suppliers and seeks to ensure a responsible payment culture, with the publishing of the Business Payment practices for PGIM Financial Limited and its UK subsidiaries on the Companies House website. Within the context of the Modern Slavery Act, the Company works with its suppliers to ensure ongoing mutual compliance.

The Company seeks to establish positive relationships with other key stakeholders, such as local regulatory authorities.

(d) The impact of the Company's operations on the community and the environment

The Group encourages its employees to contribute to the community in which the Company operates by offering the opportunity to take part in local charity and volunteering initiatives.

The Group seeks where possible to minimise its impact on the environment and has developed in-house initiatives to support this aim, such as an internal recycling scheme, participation in a cycle to work scheme and the provision of employee changing facilities and cycle racks.

During the year the group refurbished the offices at Grand Buildings. As a part of the project the Group donated a large quantity of old furniture to the charity Youth Build, an organisation that works with under privileged teenagers teaching them building skills. As a result of the Group's donation the charity was able to fit out two of their London sites.

The Company's Grand Building offices uses 100% renewable energy for its electric supply.

(e) The desirability of the Company maintaining a reputation for high standards of business conduct

There is worldwide engagement with employees regarding individual conduct and the high standards of ethics and integrity expected of employees, this is outlined in Prudential's Code of Conduct "Making the Right Choices". The Code of Conduct is supported by ongoing training with the use of a compliance training application and annual re-certification.

(f) The need to act fairly between members of the company

The Company is a private limited company with a sole shareholder.