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Independent Limited Assurance Report on Sustainability Metrics within Prudential Assurance Company Singapore (Pte) Limited's ESG Report 2023

To the management of Prudential Assurance Company Singapore (Pte) Limited

Scope

We have been engaged by the Prudential Assurance Company Singapore (Pte) Limited ("Prudential Singapore") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Prudential Singapore's selected Environmental, Social and Governance (ESG) key performance indicators (KPIs) as defined within Appendix A (the "Subject Matter") contained in Prudential Singapore's ESG Report 2023 (the "Report") for the reporting period ended 31 December 2023.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Prudential Singapore

In preparing the Subject Matter, Prudential Singapore applied the Basis of Reporting (the "Reporting Criteria"), attached as Appendix B to this report. Such Reporting Criteria were specifically designed for the purpose of the preparation of the Subject Matter included in the Report, as a result, the subject matter information may not be suitable for another purpose.

Prudential Singapore's responsibilities

Prudential Singapore's management is responsible for selecting the Reporting Criteria, and for presenting the Subject Matter in accordance with that Reporting Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') issued by the International Federation of Accountants (IFAC), and the terms of reference for this engagement as agreed with Prudential Singapore on 31st January 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Reporting Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.



We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance. Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- ▶ Undertaking management interviews to form an understanding of the reporting process in relation to the Subject Matter;
- ▶ Performing walkthroughs to gain an understanding of Prudential Singapore's systems and procedures in place to capture, collate, aggregate, calculate and source data required to generate the Subject Matter;
- ▶ Identifying the risk of material misstatement for each in-scope KPI and/or Metric and designed analytical or substantive procedures to obtain sufficient appropriate evidence to form our conclusion over the Subject Matter;
- ▶ Performed analytical procedures over the Subject Matter to identify potential anomalies within the Subject Matter and obtain Management explanations;
- ▶ On a sample basis, executed test of details to substantiate the completeness and accuracy of the calculation as defined by the Reporting Criteria and reconcile Information Provided by the Entity (IPE) to underlying and source data;



- ▶ Read the supporting narrative to the Subject Matter to confirm that it has been reported in a fair, balanced and understandable manner when compared to the Reporting Criteria; and
- ▶ Obtaining management representations.

We also performed such other procedures as we considered necessary in the circumstances.

Inherent Limitations

Our conclusion is based on historical information and the projection of any information or conclusions in the attached report to any future periods would be inappropriate. Any work in respect of ESG information published elsewhere in Prudential Singapore's annual report, website and other publications, and forward-looking statements made by the management are not included.

Our assurance work is based on selective testing of the information being examined, and it is possible that fraud, error, or non-compliance may occur and not be detected. Our examination excludes audit procedures such as verification of all assets, liabilities and transactions and is substantially less in scope than an audit performed in accordance with International Standards on Auditing and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the information.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as defined in Appendix A, in order for it to be based on the Reporting Criteria set out in Prudential Singapore's Basis of Reporting 2023 as defined in Appendix B.

Restricted use

This report is intended solely for the information and use of Prudential Singapore for evaluation of Prudential Singapore's preparation of the Subject Matter in accordance with the Reporting Criteria, and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

Hong Kong

12th April 2024



Appendix A: Subject Matter Information

The metrics listed below constitute the Selected Information within the scope of this Report.

Table A: Greenhouse gas emissions (Period: 01/10/2022 – 30/09/2023)

Subject Matter	Result
Total scope 1 greenhouse gas emissions	16 t CO ₂ e
Total scope 2 greenhouse gas emission	642 t CO ₂ e
Total scope 1 & 2 greenhouse gas emission	658 t CO ₂ e

Table B: Community Investment (Period: 01/01/2023 – 31/12/2023)

Subject Matter	Result
Amount raised for Prudential Longevity Pledge	S\$245,461
• Donations from corporate employees and agency force	S\$43,437
• Contribution by Prudential Singapore	S\$100,000
• Donations from employees to SHARE as One channelled to PLP	S\$50,012
• SHARE as One donations matched by Prudential Singapore	S\$50,012
• Other contributions	S\$2,000

Table C: Employee Diversity (Period: 01/01/2023 – 31/12/2023)

Subject Matter	Result
Female participation rate for senior managers and above	52%
Breakdown of employment split by gender and age	<i>(Please refer to Table 1)</i>
Ratio of basic salary and remuneration by gender and by level	<i>(Please refer to Table 2)</i>
Gender pay gap	-0.1%

Table 1: Result Breakdown of gender split by level and age

	Percentage of male employees	Percentage of female employees
Executive	32%	68%
Middle Management	39%	61%
Senior Management	51%	49%

	Percentage of employees under 30 years old	Percentage of employees aged 30 to 50 years old	Percentage of employees over 50 years old
Executive	36%	52%	12%
Middle Management	6%	86%	8%
Senior Management	0%	82%	18%

**Note: For the purpose of this report, Executives refer to Senior Executives and below, Middle Management refers to Associate Managers to Senior Managers, and Senior Management refers to Deputy Vice President and above.*



Table 2: Ratio of basic salary and remuneration by gender and by level

	Basic Salary		Remuneration	
	Male	Female	Male	Female
Executive	1.00	1.00	1.00	1.00
Middle Management	1.01	0.99	1.01	0.99
Senior Management	1.01	0.99	1.01	0.98



Appendix B: Basis of Reporting 2023 (the “Reporting Criteria”)

Prudential Assurance Company Singapore (Pte) Limited

**Basis of Reporting:
Greenhouse gas (GHG) emissions, community investment and
employee diversity metrics, 2023 reporting period**

This Basis of Reporting document outlines the scope of Prudential Singapore's metrics for GHG emissions, community investment and employee diversity published in the 2023 Sustainability Report.



Greenhouse gas emissions

Scope

This document sets out the approach taken by Prudential Singapore to collate and report the environmental data and GHG emissions published in our Annual Report, Sustainability Report, and Sustainability Report summary. We have robust processes in place to capture, monitor and measure our performance and we aim to report openly and transparently. GHG emissions are broken down into three scopes; we have included full reporting for Scope 1 and 2 and select Scope 3 reporting as best practice.

- Scope 1 emissions are our direct emissions from the combustion of fuel used for company-owned vehicles.
- Scope 2 emissions cover our indirect emissions from the purchase of electricity used in our corporate-leased offices.
- Scope 3 emissions include:
 - business travel
 - water consumption
 - waste generated
 - fuel and energy-related activities

Reporting period

Our 2023 reporting period covers 01 October 2022 to 30 September 2023. This does not correspond with the Annual Report (which covers 01 January 2023 to 31 December 2023) because the reporting period was brought forward by three months to improve the availability of invoice data (which often lags by one month or more after the usage period) and reduce the reliance on estimated data. This practice was first adopted for our 2022 reporting period, which covered 01 October 2021 to 30 September 2022, while our 2021 reporting period covered 1 January 2021 to 31 December 2021.

Reporting boundary

We apply the 'operational control' approach as the boundary for reporting our environmental data. This means that we report on 100 per cent of emissions where we have the full authority to introduce and implement operating policies. Under this approach, our GHG emissions from all leased facilities over which we have operational control are counted. This boundary approach covers emissions generated from our corporate-leased properties within Singapore, covering 28310.19 m². Prudential owns assets which are held on its balance sheet in the financial statements over which it does not have operational control. These are excluded from the scope of reporting under the operational control approach.

Assessment methodology

Prudential Singapore uses the GHG Protocol Corporate Accounting and Reporting Standard (2015 revised edition) as the methodology for calculating our GHG emissions. The GHG Protocol was co-developed by the World Resources Institute and the World Business Council for Sustainable Development.

Emission factors

Our reporting period includes data collected over two calendar years. Emission factors are published on a calendar year basis, and we apply the relevant emission factors based on the year in which the emissions are generated. Therefore, emissions generated in the first three months (October to December) of our reporting period have different emission factors applied than those reported for the remaining nine months (January to September). This is to ensure representative emissions reporting. Our 2023 reporting has used the following sources of emission factors to calculate our footprint measured in carbon-dioxide equivalent (CO₂e):

- Scope 1: UK DEFRA 2022 and 2023 GHG Conversion Factors.
- Scope 2: The IEA GHG 2022 and 2023 Conversion Factors are used for location-based reporting.
- Scope 3: UK DEFRA 2022 and 2023 GHG Conversion Factors.

Materiality considerations/exclusions

We have set a materiality threshold of 5 per cent of total GHG emissions.

Intensity ratio

The intensity metric is tonnes of CO₂e per employee. This is calculated as a snapshot on full-time employees on 30 September 2023 (the closest available figures to our reporting year-end) and excludes contingent workers, agents and joint ventures.

Calculation methodology

In 2023 our reporting process is tracked using the JLL environmental data management platform named Canopy. The platform is being used to collate the data received for the quarterly Request for Information (RFI) as used in previous years.

Canopy improves the accuracy of data reported through the enhanced accruals methodology within the platform. The accruals in Canopy follow an industry standard and accrue for any missing invoices at an account (meter) level and are made for months with no or partial data available. The accruals methodology in Canopy is:

- If invoiced data exists for the previous month, Canopy uses the pro-rated daily rate (cost or consumption) and multiplies that by the number of days to accrue for that month;
- If invoiced data does not exist for the previous month then Canopy will use the pro-rated daily rate from the same month previous year, multiplied by the days to accrue for that month;
- If neither of the above exist, Canopy will use the most recent invoice received for that account and apply that pro-rated daily rate multiplied by the days to accrue for that month; and
- If an account does not follow a calendar month, any accruals will consider the daily rate of any invoices overlapping in that calendar month.

Where updated billing information or emissions factors become available after year end reporting, prior year figures may be restated for accuracy. This will be detailed alongside restated figures.

Our approach to the core metrics in our GHG emissions reporting is detailed below. To ensure we have complete coverage during the reporting period, consumption data may be accrued for missing invoices/supplier data. In this case, benchmarking data is used to estimate kWh for the property.

Emissions source	Data sources and assumptions	Accrued/estimated
Energy and emissions		
Vehicle fleet	Disclosure: Scope 1 and 3 emissions (CO ₂ e) Transport is calculated based on litres of fuel purchased.	Yes
Electricity	Disclosure: Total energy consumption (MWh) and Scope 2 and 3 emissions (CO ₂ e) – location-based. Indirect energy consumption (kWh) obtained from invoices. Every building in the site list has invoice/ accrual electricity consumption/cost. Accruals are used where we have either not received an invoice or received an invoice for part of the month. This calculation is automatically carried out in Canopy either using the previous month or same month previous year for a missing invoice, and a daily average where part of a month is missing. Where there is no consumption data available for a site, electricity consumption is estimated using internal benchmarks as follows: <ul style="list-style-type: none"> • Average consumption per property type is used, or • If not available, average consumption per Prudential Singapore data model is used. Estimations and accruals are only applied to the months where the lease is active.	Yes

Emissions source	Data sources and assumptions	Accrued/estimated
Waste and water		
Waste	Disclosure: Scope 3 emissions (CO ₂ e). Waste data is provided by waste management companies, property managers and waste transfer notes.	No
Water	Disclosure: Scope 3 emissions (CO ₂ e). The total quantity of water consumed is obtained from invoices and supplier meter readings, and recorded in cubic meters or kilolitres.	Yes

Emissions source	Data sources and assumptions	Accrued/estimated
Business travel		
Air travel	Disclosure: Scope 3 emissions (CO ₂ e). Annual travel reports are provided by our travel management company. All distances are reported in km and converted to CO ₂ e using the DEFRA 2022 and 2023	No

	emission factors, including DEFRA Well to Tank for air travel and radiative forcing uplift. No assumptions or estimations have been made for travel booked by individuals and claimed via the expense system.	
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Assurance scope

EY has provided limited assurance of the components of greenhouse gas emission data for Scope 1 and Scope 2 originating from our vehicle fleet and office electricity consumption.

Community investment

Scope

This document sets out the approach taken by Prudential Singapore to collate and report the amount raised for the Prudential Longevity Pledge (PLP) published in the Prudential Singapore 2023 Sustainability Report, as part of our community investment efforts.

Reporting period

1 January 2023 to 31 December 2023.

Definition

We will only be reporting the figure for the Prudential Longevity Pledge for Prudential Singapore.

The PLP is a fundraising programme set up for Prudential Singapore's employees and financial representatives to provide support for the vulnerable groups in the community.

Established in partnership with Community Chest in 2021, the funds raised go towards enabling continued support for our community investment programmes such as KidSTART and the Seniors' Wellbeing Masterclass.

Assessment methodology

The total amount raised the PLP takes into account the following:

- Donations from corporate employees and agency force
- Contribution by Prudential Singapore
- Donations from employees to SHARE as One channelled to PLP
- SHARE as One donations matched by Prudential Singapore
- Other Contributions

The process for the PLP contributions is as follows:

- Our employees and financial representatives make donations to the PLP.
- Prudential Singapore contributes a fixed sum per the agreement made with Community Chest on a yearly basis.
- SHARE donations from employees and the dollar matching amounts by Prudential Singapore are channelled towards the PLP.
- The above mechanics contribute to the total funds raised and matched in a given year (January to December) towards the PLP and are declared in the annual Sustainability Report.

Reporting boundary

Singapore only.

Basis of accounting

All disclosures have adopted both cash and accrual basis of accounting for the reporting period.

Currency/unit/normalisation

Amounts are reported in Singapore dollars.

Data collection method

The Community Investment (CI) team keeps track of the PLP donations in an Excel spreadsheet that is updated through the year. Community Chest also provides updates on the donations using the same Excel spreadsheet. The CI team is also responsible for reviewing the PLP figures to ensure its accuracy and completeness prior to submission and disclosure in the Sustainability Report.

Third-party data verification

EY has provided limited assurance of the amounts raised to the Prudential Longevity Pledge.

Employee diversity

Scope

Prudential Singapore reports under the GRI Universal Standards 2021 and in particular for employee diversity, the metrics are disclosed against GRI 405: Diversity and Equal Opportunity 2016. The scope of assurance includes the following metrics:

- Female participation rate for senior managers and above (%)
- Employment split by level and age
- The ratio of basic salary and remuneration by gender and by level
- Gender pay gap (%)

Reporting period

1 January 2023 to 31 December 2023.

Definition

- For the purpose of this report, Executives refer to Senior Executives and below, Middle Management refers to Associate Managers to Senior Managers, and Senior Management refers to Deputy Vice President and above.
- For data on employees, the full-time equivalent data has been replaced with headcount data to maintain consistency across all GRI disclosures. Headcount data gives insight into the number of individual workers while FTE gives insight into the number of hours worked.
- Basic salary is defined as a fixed, minimum amount paid to an employee for performing their duties.
- Remuneration is defined as basic salary plus additional amounts paid to a worker which can include bonuses, benefit payments, overtime and any additional allowances.

Unit/normalisation

All permanent/fixed-term contract of employment employees in Singapore only.

Data collection method

- The Total Rewards & HR Service Excellence department under the Human Resource division in Prudential Singapore is responsible for the data collection, review and consolidation for the abovementioned employee diversity metrics.

Assessment methodology

- For female participation rate, the total number of employees (male and female) in-scope (senior managers and above) for the calculation was 396 employees. This represents 31% of our total workforce made up of 1,287 employees. We have set a target internally to maintain the female participation rate at between 50% and 55% yearly.
- For the calculation of basic salary, remuneration and gender pay gap, the data is computed based on teams with more than five males and five females (target group) to ensure sufficient sample size and a meaningful analysis.

- The formula for the gender pay ratio is as follows:
$$\frac{\text{average base salary (or remuneration) among all female/male employees}}{\text{average base salary (or remuneration) among all employees}}$$
- For gender pay gap, the total number of employees (male and female) in-scope (senior managers and above and based on the criteria) is 233 employees. This represents 18% of or total workforce made up of 1,287 employees.
- The gender pay gap is calculated by comparing the average salaries of male and female employees to the average salary of all employees. It provides a relative measure of the pay gap, useful for understanding disparities in pay between genders. The steps are as follow:
 - Step 1: Calculate the average base salary among all target group female employees, divide it by the average base salary among all employees, and then subtract 1. This gives you a measure of the pay gap for female employees. If the result is negative, it means that on average, female employees are paid less than the overall average. If it's positive, it means that female employees are paid more than the average.
 - Step 2: Do the same calculation for male employees. This gives you a measure of the pay gap for male employees.
 - Step 3: Compare the results from Step 1 and Step 2. This will give you an idea of how the pay gap differs between male and female employees.

Reporting boundary

Singapore only.

Main assumptions

- For the coverage of female participation and gender pay gap, only senior managers and above were considered to monitor representation and salary impact of female employees as they progress within the organisation. There is often a lower representation of women in senior roles with higher salaries so monitoring the gender pay gap at this level enables Prudential Singapore to track career progression, which contributes significantly to the overall gender pay gap. In addition, we view the senior managers and above in our organisation as leaders and role models so monitoring gender pay gap at this level can serve as a positive trickle-down effect on our corporate culture.
- The closure of the gender pay gap is defined to be within the range of -0.5 per cent to 0.5 per cent for senior managers and above, a range determined reasonable internally because constant staff movement makes a zero pay gap an unrealistic target.

Third-party data verification

EY has provided limited assurance of the employee diversity metrics.