

## CUSTOMER HEALTH, SAFETY AND WELFARE POLICIES

To address customer health, safety, and welfare, Pru Life UK adheres to the Group Code of Business Conduct and its supporting policies including the Regional Suitability Framework, Group Customer Commitments Policy and Prudential Group Health & Safety Policy. These policies help ensure that the relevant customer elements of the Group Code of Business Conduct are met in addition to local regulatory requirements.

### *I. Group Code of Business Conduct*

<http://www.prudential.co.uk/investors/governance-and-policies/code-of-business-conduct>

We have been helping people to meet their long-term financial needs for over 165 years. Through our businesses today across Asia, the US, Europe and Africa, we provide financial products and services to millions of customers worldwide.

We believe it is our focus on the long term that brings the greatest benefits to our customers, investors, employees and the communities in which we operate. By helping individuals plan their finances, pool savings, and make investments, we help to drive the cycle of growth.

Our core values of prudence, security, integrity and initiative underpin all of our activities and, along with the standards required by this Code, are fundamental to the Group's long term success.

We require the highest possible standards of professional and ethical conduct of all our people. This Code of Business Conduct sets out the standards that are required across the Group, by all employees and any individuals and organisations acting on our behalf.

### **A. Our Group and our Values**

We pursue opportunities to grow our business in line with our core values:

**Prudence** - We pride ourselves on how we exercise judgement in the interests of our customers, investors, employees and other stakeholders. We manage risk by drawing on our collective expertise and experience.

**Security** - We are here to help our customers meet their long-term financial needs and we can do this because we are built to last ourselves. Our longevity, scale and resilience mean we can be depended upon.

**Integrity** - We understand the trust people place in us and the duty we have to our customers. We strive to advance the interests of our customers, investors, employees and other stakeholders and we do so responsibly.

**Initiative** - We identify and seize opportunities in products, services and markets to benefit our customers, our business and wider society.

**In all of our actions, we commit to:**

1. Exercise judgement in the interests of our customers, investors, employees and other stakeholders, effectively managing risks and protecting our reputation.
2. Act in the interests of the Group and protect the Group's assets, conducting business in accordance with this Code and our core values, competing vigorously and honestly.
3. Comply with all Group Policies, as well as applicable laws, rules and regulations in every country in which we operate.
4. Maintain honest, constructive and open relationships with governments and regulators to ensure mutual trust, respect and understanding.
5. Safeguard all non-public company and customer information and maintain effective procedures to prevent confidential information being misused.
6. Take personal responsibility for advancing the legitimate interests of the Group identifying and seizing potential opportunities in line with our long-term approach and core values.
7. Engage in honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships including conflicts which may affect Prudential's relationship with its customers.
8. Maintain rigorous anti-money laundering and counter-terrorist financing practices and procedures in all countries and territories in which we operate.
9. Forbid corruption and the paying or receipt of bribes.
10. Ensure all third-party supply arrangements are entered into with consideration of this Code and in compliance with the Group's Outsourcing and Third-Party Supply Policy.

**B. Our Customers**

We understand the trust that people put in us when they choose our products and services to meet their financial needs. We have a duty to our customers and act to advance their interests responsibly and with integrity. To deliver this, we commit to:

1. Treat our customers fairly, openly and honestly.
2. Provide and promote a range of products and services that meet customers needs, are easy to understand and that deliver real value.
3. Maintain the confidentiality of our customer information (except where the law requires disclosure).

4. Provide and promote high standards of customer service and monitor these standards rigorously.
5. Ensure that our complaints processes provide an effective and fair means of arbitration between the Group's businesses and customers.

**C. Our investors and economies**

We are committed to creating long-term value for our shareholders and wider society. As investors we believe that by helping people meet their financial needs, pooling savings and making investments, we help to drive the cycle of growth. To support future growth, we know that we must:

1. Communicate our business strategy, achievements and prospects honestly.
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. Provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Group releases and/or files or submits to appropriate authorities and comply with all laws and regulations, such as the UK and HK Listing Rules and the US Sarbanes-Oxley Act.

**D. Our People**

We create an environment where individuals are treated with dignity and respect, in line with our duty to provide equal opportunities to all. We also recognise that a diversity of skill sets and backgrounds enrich our business, and that leveraging the unique strength of each person is crucial to our success. To achieve this environment, we commit to:

1. Provide equal opportunities to all employees, candidates and suppliers.
2. Not tolerate any form of discrimination, harassment or victimization.
3. Provide appropriate remuneration to employees and maintain performance objectives that reinforce the Group's core values and delivery of its long-term ambitions.
4. Promote training and opportunities for personal development.
5. Create a favourable employee relations environment in which the involvement of all employees is encouraged.
6. Maintain effective processes to enable whistle-blowers to report instances where they believe malpractice has occurred within the business, without fear of recrimination.

7. Provide a 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.

#### **E. Our Communities**

We make long-term commitments to the communities and economies where we operate. We believe that if we act responsibly across all aspects of our operations, we will make a strong social and environmental contribution, as well as deliver a sustainable financial performance. In order to do this, we strive to:

1. Contribute to the social and economic wellbeing of those communities where we are an employer.
2. Encourage employees to participate in projects and initiatives that bring benefits to those communities.
3. Minimise the adverse environmental impact of our business operations and to achieve Group environmental policy targets.
4. Conduct our activities, so far as possible, in a manner sensitive to the cultural and social traditions of local communities.

Along with compliance with this Code, each of the Group's businesses must operate with the requirements of the Group Governance Manual.

## **II. *Regional Suitability Framework***

Customer suitability has become a key regulatory focus across the region, either as an integral part of customer protection or as a separate set of regulations. The rapidly evolving regulations require financial institutions to uphold a high degree of customer protection in its business operations. Increasing regulatory focus on suitability is observed in different markets (e.g. in Singapore, Hong Kong, Malaysia, and Indonesia) and new regulatory requirements are reshaping the landscape of the insurance industry. It is imperative that all Prudential Corporations Asia ("PCA") insurance businesses are able to demonstrate that a prudent and proactive approach is undertaken to address evolving customer expectations and regulatory requirements in the area of customer suitability.

The Regional Suitability Framework ("the Framework") aims to mitigate the risk of mis-selling to customers, a key operational risk identified for PCA. It sets out PCA's goal and principles in addressing the topic of customer suitability for its insurance businesses.

PCA seeks to build a model to align our products to customer needs with an assessment of their suitability, whilst striving to meet global best practices and also to stay ahead of the regulatory requirements on suitability across the region.

The PCA Suitability Principles:

1. Transparency - We provide adequate disclosure that is fair, clear and not mis-leading in relation to the key benefits, risks, charges and features of our products.
2. Fair Customer Outcomes - We offer appropriate advice and products to customers in consideration of their financial needs, objectives and background to enable them to make an informed purchase decision.
3. Prudence - We continuously align our products, policies and standards to customer and regulatory expectations on suitability.
4. Fit and Proper - We ensure all sales force are qualified and fulfil requirements of fitness and propriety.

### **III. Group Customer Commitments Policy**

Helping our customers achieve their insurance and financial needs through our products and services lies at the heart of the Group's business strategy. The values and standards for how the Group deals with its customers are laid out in the Group Code of Business Conduct. All employees and other persons acting on behalf of the Group are required to uphold and follow these standards.

The Code includes five customer commitments. These commitments are consistent with regulatory standards in most jurisdictions and so policies and procedures to meet these standards are already in place in most Business Units. This policy however address two issues – firstly that the nature and complexity of regulatory standards varies significantly across the Group and therefore cannot exclusively be relied upon as evidence the Group is meeting its commitments and secondly to enable consistent reporting on these commitments to the Board so that it can determine whether the Group is acting within appetite.

It is the responsibility of executive management in all in-scope Business Units such as Pru Life UK to implement processes and controls to deliver the customer commitments in the Code throughout the customer journey and also to monitor delivery. In line with Prudential's three lines of defence model, it is expected that first line teams will measure and report on the effectiveness of customer-related controls which they operate and second line teams will provide independent oversight, challenge and assurance to senior management and governance fora.

#### **A. Policy Objectives**

The objective of this Policy is to require Business Units such as Pru Life UK to:

- Implement processes and controls to meet the customer commitments in the Code;
- Report on the strength of those key controls so they can be reviewed by the Prudential plc Board; and

- Provide regular reporting on key indicators of customer commitments to senior management at Local Business Unit, Business Unit, and Group levels.

**B. Scope of Application**

This Policy forms part of the Group Governance Manual (GGM). Certification of compliance with this Policy is included in the certifications required by the GGM. This Policy applies to Business Units such as Pru Life UK that deal directly or indirectly with retail customers.

Business Units are required to:

Ref.:	Requirement	Applies to:
GCRP 1	determine whether this Policy applies and, if so, the extent to which it applies, to the Business Unit given the nature of its activities and customers, in consultation with Group Compliance.	Business Units
GCRP 2	adopt policies and procedures that implement the requirements of this Policy.	Business Units

**C. Policy Owner and Review Information**

The Group Customer Commitments Policy is owned by the Group Regulatory and Government Relations Director. Group Compliance maintains the Policy and related documents.

Group Compliance is required to

Ref.:	Requirement	Applies to:
GCRP 3	review the Policy at least annually.	Group Compliance

**D. Group Customer Commitment Framework**

1. Customer Commitments

The Code sets out five principal customer commitments that the Prudential plc Board wishes to achieve. This Policy seeks to manage the risks to achieving these commitments and allow the Group to report to the Board against them. The customer commitments should be evaluated in relation to the local business and regulatory environment.

a. *“Treat customers fairly, openly and honestly”*

Business Units need to consider where there is a risk that they may fall short of this requirement and what controls are in place to mitigate this risk, particularly in relation to sales processes and conflicts of interest.

- b. *“Provide and promote a range of products and services that meet customer needs, are easy to understand and that deliver real value”*

Although many of the financial needs and objectives that customers have are simple, the products we design may be complex from a customer’s perspective. This complexity may make it difficult for a customer to understand the costs and value of the product, and how to best utilise the products to avoid poor outcomes. Business Units need to consider product design, the quality of their communications with customers and the value that products are likely to bring to customers, given the variety of factors involved, for example, customer behaviour or expected long term market returns.

- c. *“Maintain the confidentiality of our customer information (except where the law requires disclosure)”*

Customers trust us and our representatives with their personal information and as a Group, we have a duty to ensure we properly safeguard it, both where we hold it on our systems and where it is handled by our representatives.

- d. *“Provide and promote high standards of customer service and monitor these standards rigorously”*

Consistent, ongoing, high-quality service is important for the maintenance and growth of our businesses. Business Units should have in place a comprehensive suite of customer service metrics which covers the relevant customer lifecycle.

- e. *“Ensure that our complaints processes provide an effective and fair means of balancing the interests of the Group’s business and customers”*

Customer complaints are an invaluable source of feedback about the quality and success of our business. BUs should consider whether they have in place mechanisms to ensure that all complaints are identified and addressed fairly. Business Units should also have processes for analysing complaints to understand their underlying cause with the aim of reducing the overall number of complaints. Business Units should perform ongoing monitoring to identify any issues which could lead to customer detriment and take prompt action to address any errors.

Business Units are required to:

Ref.:	Requirement	Applies to:
GCRP 4	Implement processes and controls to meet the five customer commitments in the Group Code of Business Conduct.	Business Units

## 2. Reporting

Regular reporting of customer-related information is required in order that Group Compliance and the Prudential Board can properly exercise oversight in respect of delivery on its commitments to customer across the Group.

Business Units are required to:

Ref.:	Requirement	Applies to:
GCRP 5	Maintain appropriate arrangements for regular reporting to Business Unit governance fora and Group Compliance of information which indicates the extent to which the customer commitments are being met.	Business Units
GCRP 6	Submit customer-related Management Information to Group Compliance in the form requested.	Business Units

## 3. Business Units Assessment of Controls to Deliver the Customer Commitments

Based on the Code's customer commitments, Business Units should undertake an assessment of the controls in place to deliver the customer commitments in the Group Code of Business Conduct. The form and content of the assessment will be specified by Group Compliance after consultation with Business Units. The results will be used to assess the maturity of Business Unit customer-related processes and controls.

Business Units are expected to continuously assess the controls in place to meet the customer commitments in the Group Code of Business Conduct and report their findings to the appropriate BU committees and Group Compliance. Completion of the assessment should be regarded as a minimum requirement.

Business Units are required to:

Ref.:	Requirement	Applies to:
GCRP 7	Undertake a Local Business Unit and/or Business Unit assessment of the controls in place to implement the customer commitments in a form provided by Group Compliance and submit the results to Local Business Unit and/or Business Unit governance committees and Group Compliance.	Business Units

## 4. Role of Group Compliance

Group Compliance is required to:

Ref.:	Requirement	Applies to:
GCRP 8	Consult with BUs and other key stakeholders on the appropriate form and content of customer risk reporting.	GC



GCRP 9	Coordinate the production of aggregate customer-related MI material for the Group governance committees and Board.	GC
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#### Related Policies

The following policies include regulatory compliance requirements and should be read in conjunction with this Policy:

Related Policy	Group Owner
Group Risk Framework and Policies	Group Risk
Group Compliance Policy	Group Compliance
Group Code of Business Conduct	Group Communications

#### IV. Prudential Group Health & Safety Policy

<http://www.prudential.co.uk/investors/governance-and-policies/prudential-group-health-and-safety-policy>

Prudential plc is an international financial services group with operations in Asia, the US, the UK, Continental Europe and Africa.

We recognise the importance of effectively managing health and safety and enhancing the health and wellbeing of our employees. This is achieved through the identification, elimination or control of risks to the health, safety and welfare of our employees, business partners, customers and others who may be affected by our operations.

##### Scope

This policy statement applies to all Prudential Group companies, locations and activities, and takes account of the wide range of health and safety legislation under which our companies operate.

##### A. Our health and safety core principles

We believe that everyone has a role to play in achieving our health and safety goals. Our Health and Safety Policy is underpinned by three core principles:

1. Ensuring that safety, health and wellbeing are integral to the way in which we manage our business and providing visible leadership that promotes positive behaviours;
2. Each Business Unit, Local Business Unit and Group Function is to implement this Policy in full or develop and implement a local policy that demonstrates Health and Safety risks are understood and managed effectively and in a way which supports this Group Policy and the requirements of the Group Governance Manual; and

3. Each Business Unit, Local Business Unit and Group Function is to allocate and communicate clear duties and responsibilities for safety, health and wellbeing at Board, Senior Management, Line Management and employee level to implement this Group Policy and any other local health and safety policy.

## **B. Our health and safety commitments**

We commit to:

1. Comply with health and safety legislation and standards to which the business is subject;
2. Prevent injury and ill health by creating and maintaining a healthy and safe working environment through the identification of hazards and assessing and controlling the associated level of risk;
3. Investigate those work-related accidents, incidents and occurrences of ill-health that do occur to identify both the immediate and root causes and take the necessary action to prevent such incidents from recurring;
4. Communicate this Policy to all employees so that everyone is made aware of their individual health and safety obligations and those of the business;
5. Provide health and safety related information, instruction and training to employees that is appropriate to their location, duties and responsibilities;
6. Encourage our suppliers and contractors to adopt good industry practice in the management of health and safety. Where appropriate we will collaborate with our suppliers, contractors and business partners on schemes and initiatives to further enhance safety, health and wellbeing; and
7. Continual improvement in our management of health and safety and health and safety performance.

## **C. Measuring and reporting on our health and safety performance**

We will monitor and review our health and safety performance against our health and safety principles and commitments set out in this policy and reporting requirements set out in Group Reporting of the Group Governance Manual.

On an annual basis we will report on our health and safety performance and review this Policy to ensure that it remains relevant and appropriate.

The Prudential plc Board has overall responsibility for approving and reviewing this Policy.

**V. *Activities Undertaken to Implement Customer Welfare, Health, and Safety Policies***

For the year 2017, Pru Life UK has undertaken and continues to undertake the following activities to implement the customer welfare, health, and safety policies:

- A. Pru Life UK provides a dedicated lane for Persons with Disability (PWD) and senior citizens in its major business centers.
- B. Pru Life UK continues to improve the services it provides to its customers by introducing new processes, tools and technologies for its client-facing application systems (i.e., PRUaccess, IVRS, etc.) including back-office facilities like SMS blasts or alerts. The intent is to improve overall user experience when interfacing with the various customer touchpoints.
- C. Pru Life UK provides short message service (“SMS”) notification for New Business and Policy Administration (i.e. after sales) transactions which alerts customers that their policy is issued or that a financial transaction is received and successfully processed. The SMS notification will keep customers informed of the status of their request with Pru Life UK.
- D. Pru Life UK offers 24/7 telephone hotline through Interactive Voice Response System (“IVRS”) which provides customers instant access to their policy information any time and any day of the week.
- E. Pru Life UK offers PRUaccess which is a web portal developed for the policyowners of Pru Life UK. Through PRUaccess, policyowners will be able to view their policy details, monitor and get premium due date advisories, learn the answers to basic insurance questions through the Frequently Asked Question (FAQ) page, and know the latest updates on Pru Life UK, from any location 24/7.
- F. Pru Life UK continuously reviews and improves its benefit payment process in order to provide faster and more convenient disbursement of policy benefits. The initiatives made to improve the benefit payment process are: (1) implementation of the Auto-Check Preparation Request process to improve turnaround time on disbursing financial transactions; (2) implementation of the Claims Automation to improve turnaround time on claims and living benefits processing; (3) expansion of the number of bank partners in releasing payouts to policyowners; and (4) pushed for the increase utilization of the fund transfer facility in order for payouts to be faster and more secure by conducting calls to policyowners to convert from check payout options to fund transfer.
- G. Pru Life UK provides the following friendly and convenient payment facilities:

**For Collection:**

- 1. Cash and check payments in all Pru Life UK Branches, SM Payment Centers, and Bayad centers;
- 2. Over the counter (“OTC”) cash payment with accredited banks;

3. OTC credit card payment in some Pru Life UK regional offices, branches, and business centers;
4. Recurring credit card payment facility;
5. Online Banking, Automated Teller Machine (ATM), and phone banking;
6. Automatic Debit Arrangement (ADA); and
7. Fund transfer payments through accredited banks. Pru Life UK has accredited the top ten (10) banks in the Philippines to enable clients to pay at their preferred banks.

**For Disbursement:**

1. Fund Transfers to top 10 banks, free of charge;
  2. Check Payments, free of charge;
  3. Check pick up and OTC cash withdrawal at 76 Security Bank releasing branches nationwide, free of charge;
  4. Direct deposit to bank account, free of charge;
  5. Direct payment through Mobile Wallet Facility;
  6. OTC dollar cash withdrawal at Metrobank's provincial branches, free of charge; and
  7. OTC dollar cash withdrawal at Standard Chartered Bank-Main Office for Metro Manila clients, free of charge
- H. Pru Life UK conducted a customer satisfaction survey by commissioning a third party agency in order to get customers' feedback on their experience and various touchpoints (i.e. new business, policy administration, call center, claim, etc.) with Pru Life UK. The result of the survey was used to develop a Customer-centric program across Pru Life UK.
- I. Pru Life UK conducts random welcome calls to policyowners of new policies issued every month as part of the check and balance of its entire sales process.
- J. Pru Life UK has commenced the Customer Experience Made it Easy ("**CEME**") program which has been conducted across Customer Contact Management staff/specialist with special participation of each of Life Operations Departments representative. CEME is a Training Program conducted by a third party vendor which aims to provide customers an effortless experience to increase customer loyalty. At the end of the session, Pru Life UK customer service advocates will be able to: (1) perform their functions with professionalism and customer focus; (2) enhance the customer's perception of ease when doing business with Pru Life UK; (3) apply proactive communication and experience engineering skills when communicating with the customers; and (4) practice the CEME standard behaviors with peers and receive feedback for improvement. CEME has been introduced across Life Operations and has certified eight (8) trainers.
- K. Pru Life UK has strengthened the capability of its staff with the customers in mind through its holistic transformation program called "Make It Easy". Pru Life UK promotes continuous improvements mindset to deliver effortless experience for the customers

(e.g. enhancement of forms). New Business, Underwriting, and Policy Administration process improvement events were held to streamline the backroom processes as an end in mind.

- L. Pru Life UK partnered with private companies in promoting financial literacy among its employees through regular email blasts, booth events and financial wellness sessions.
- M. The Head Office of Pru Life UK follows regional standards on Information Technology (e.g. safe and friendly cabling and network equipment, local and international call facilities, and redundant uninterruptible power supply (UPS) and Security (e.g. closed-circuit television [CCTV], roving guards, and high-technology door lock) designed to drive operational effectiveness and performance in order to better serve its customers.
- N. The branch offices of Pru Life UK are constructed/renovated in such a way to ensure that they are fully functional and well-maintained in order to better serve and ensure the safety of its customers.
- O. Quality Assurance reviews are conducted in identified branches annually to check on the product knowledge and sales practices of the Agency force of Pru Life UK.
- P. The Agency Division of Pru Life UK has promoted the use of the Life Stage Financial Planning (“**LSFP**”) among its agency force. It has likewise required its sales agents to use the Suitability Assessment Form (“**SAF**”). The LSFP is a step-by-step sales presentation that is hinged on identifying and prioritizing the different financial needs of a customer. The SAF is an insurance application document that establishes the correlation between the priority need of the customers and the product recommendation made by the agent. The SAF must be endorsed by an agency leader and is a requisite for Pru Life UK to accept the application.
- Q. The Agency Division of Pru Life UK has implemented several initiatives for a more seamless need-based approach to clients (i.e. enhancement of the sales process to be able to provide insurance proposals based on the amount of insurance coverage the client needs given his current financial situation).
- R. Pru Life UK’s product pricing are in accordance with generally accepted actuarial practices and requirements as set by The Insurance Code or Republic Act No. 10607. Product approval goes through a rigorous review process from local product teams, Regional Head Office (Prudential Corporation Asia), and the Insurance Commission, the local regulator. The foregoing ensure that the: (i) product provides value to customers; (ii) product disclosures are clear so that customers are aware of corresponding risks and benefits; and (iii) customers are treated equitably.
- S. The Life Operations Division conducts regular quality assurance reviews, improvement events, and other service improvement initiatives to improve operational efficiency and customer experience. The implementation of performance management reviews and the promotion of employee engagement aim to increase the customers’ overall welfare.

- T. One of the many advocacies of Pru Life UK is to promote financial wellness among millennials and Overseas Filipino Workers families. This inspired Pru Life UK to conduct regular financial wellness sessions under the “Sip & Talk” and “PRUtektadong OFW” programs.
- U. As part of continuing service, Pru Life UK holds Market Outlook sessions for its existing clients to help them make sound and informed financial decisions.
- V. The Board appointed a Data Protection Officer to provide oversight on the overall Data Privacy Programme of Pru Life UK in order to ensure that the confidentiality of its customer information are maintained and safeguarded at all times.