



Gender and ethnicity pay gap report

2023



At M&G plc, our commitment to diversity and inclusion is at the very heart of our purpose – to give everyone real confidence to put their money to work. Across our activities, we are working hard to create a fully inclusive environment for our clients, colleagues and communities.

Equal gender and ethnicity pay is crucial for fostering fairness, inclusivity and equity. By ensuring that individuals are compensated based on their skills, experience and contributions, we want to create an environment where everyone feels valued and respected.

Through our Global Diversity and Inclusion strategy, we've set out an ambitious five-year plan, that spans

our entire enterprise, including stretching gender and ethnicity targets.

We believe in the power of diversity in all its forms to help build a positive workplace. Underpinning our hopes are a range of initiatives throughout the talent management lifecycle; from sourcing candidates, to recruitment, career progression and succession. These initiatives are designed to improve our ability to attract more diverse talent – and ensure we retain and develop that talent.

I'm pleased to see that we are continuing to make real progress to embed diversity of all types, across M&G – from our senior leader appointments to our Aspire internal mobility programme and

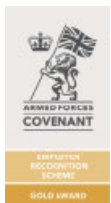
employee network activity. We strive to adopt industry best practice, and it's rewarding to have our efforts acknowledged through external awards and accreditation.

It's reassuring to see that gender balance is improving across our entire organisation. During 2023 we appointed three women to our Group Executive Committee (GEC), including Caroline Connellan as Wealth CEO, Louise Shield as Director of Corporate Affairs and Charlotte Heiss as General Counsel and Company Secretary. We are making good progress towards achieving our targets of 40% women and 20% ethnic diversity in senior leadership by 2025.



Our approach to gathering, analysing and disseminating people data is giving us a more comprehensive understanding of the effectiveness of our diversity-focused policies and initiatives at M&G. Our mean gender pay gap for 2023 has continued to reduce to 28.5% (2022: 29.2%) and the mean ethnicity pay gap reduced to 3.2% (2022: 5.5%). A change in timing for bonus payments in April 2023 inflated our pay gap figures. Without this, we would have reduced the gender pay gap to 24.4% in 2023.

We are committed to ensuring a truly gender and ethnicity-balanced organisation; one that provides equal opportunities for all individuals to succeed in their careers at M&G. It's not just about helping our people to thrive – it also makes good business sense, enhancing our innovation, creativity and sustainable growth. I really encourage you to read our latest UK gender and ethnicity pay gap report, which outlines our ongoing efforts to 'close the gap' and enhance representation throughout our organisation.



Overview – gender data

The gender pay gap shows the difference in the average pay and bonus between female and male colleagues 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.

M&G plc is made up of a number of UK reportable entities, which have more than 250 employees. While we manage our Diversity strategy at a Group level, and all policies and action plans apply to all parts of the organisation, the UK Gender Pay Gap Reporting legislation requires us to report separately for each of our reportable entities, as set out on the right-hand side.

Gender pay gap: April 2022 to April 2023

The 2023 data[†] presented here represents 4,278 UK-based employees as at April 2023. The mix of women and men in our workforce is currently 45.29% women and 54.71% men.

	Pay										Bonus			
	Mean gender pay gap (hourly rate) (%)	Median gender pay gap (hourly rate) (%)	Upper quartile (%)		Upper middle quartile (%)		Lower middle quartile (%)		Lower quartile (%)		Mean gender bonus gap (%)	Median gender bonus gap (%)	Proportion with a bonus (%)	
			F	M	F	M	F	M	F	M			F	M
M&G plc (all UK entities)	28.5	22.7	29	71	33	67	51	49	58	42	66.6	45.2	93.76	95.35
M&G FA Limited	32.2	25.9	25	75	29	71	45	55	61	39	71.3	50.8	95.87	97.10
Prudential Distribution Limited	22.9	24.2	30	70	36	64	48	52	63	37	44.4	43.4	96.35	97.11
Prudential UK Services Limited	15.3	12.5	37	63	43	57	55	45	57	43	45.7	23.2	97.39	97.02
IFDL	16.6	4.9	34	66	44	56	43	57	52	48	31.5	9.2	96.32	96.15
M&G Corporate Services Limited	32.2	27.8	32	68	38	62	58	42	65	35	69.7	23.9	63.95	70.42

F = Female M = Male

[†]It should be noted that changes in smaller employee populations, such as leadership position changes, can produce significant shifts in the demographic/diversity data.

The difference between median and mean

The mean pay gap is calculated by adding up all of the pay of M&G plc's UK employees and dividing it by the number of UK employees.

The median gender pay gap is calculated by lining up all of M&G plc's UK employees' pay and finding the mid-point for men and women.

The difference between those two mid-points is the median gender pay gap.

Our mean gender pay gap across the business for 2023 continues to improve to 28.5% (2022: 29.2%) and our average bonus gap continues to improve to 66.6% from 67.5%. A change in timing for bonus payments has inflated the gender pay figure, otherwise we would have reduced the mean gender pay gap to 24.4% in 2023.

The number of women in senior leadership positions has remained stable at 37% since 2022 and we remain committed to achieving our target of 40% by 2025. This target makes up part of the non-financial goals and remuneration of the Group Executive Committee and their direct reports, with our progress regularly reviewed by M&G's Board, Risk and Remuneration Committee.

We are committed to achieving gender parity across all of our global operations. We have been a signatory of the UK HM Treasury Women in Finance Charter for six years and are signatories of the Women in Finance Charter in Ireland and the diversity charters in France and Italy, showing expanded support for this ambition internationally.

As we position our business for future growth, we are mindful to ensure that shifts in our leadership population focus on this goal with support from partnerships including Everywoman, Women in Data, City Hive and 100 Women in Finance providing additional networking, mentoring and career development opportunities.



Overview – ethnicity data

Our ethnicity pay gap data is calculated using the same calculation methodology as our gender pay gap reporting, based on colleagues who declared their ethnicity. Colleagues who did not share ethnicity information have been included in the undisclosed population data.

We are proud to have been one of the first companies in our sector to publish an ethnicity in leadership target and voluntarily publish ethnicity pay gap data. We believe that transparency is key to driving real change, which is why we have chosen to report our ethnicity pay gap in the same way that we report our gender pay gap data: by the UK entities which have more than 250 employees as set out on the right.

Ethnicity pay gap: April 2022 to April 2023

The 2023 data[†] presented here represents 4,278 UK-based employees as at April 2023. The ethnic mix of employees is currently 17.54% Black, Asian, and minority ethnic and 82.46% white.

	Pay										Bonus			
	Mean ethnicity pay gap (hourly rate) (%)	Median ethnicity pay gap (hourly rate) (%)	Upper quartile (%)		Upper middle quartile (%)		Lower middle quartile (%)		Lower quartile (%)		Mean ethnicity bonus gap (%)	Median ethnicity bonus gap (%)	Proportion with a bonus (%)	
			BAME	W	BAME	W	BAME	W	BAME	W			BAME	W
M&G plc (all UK entities)	3.2	-8.2	17	83	18	82	20	80	12	88	42.9	1.5	94.18	95.87
M&G FA Limited	15.0	3.9	19	81	21	79	23	77	26	74	56.5	5.2	97.09	97.03
Prudential Distribution Limited	-15.0	-27.4	15	85	15	85	11	89	3	97	31.9	-19.2	98.04	97.13
Prudential UK Services Limited	8.2	6.7	14	86	16	84	18	82	23	77	36.5	12.5	95.58	97.19
IDFL	24.6	26.4	8	92	9	91	8	92	24	76	45.9	16.7	92.86	91.86
M&G Corporate Services Limited	58.6	56.9	0	100	0	100	2	98	22	78	99.2	100	6.25	83.18

BAME = Black, Asian and minority ethnic W = White

[†]It should be noted that changes in smaller employee populations, such as leadership position changes, can produce significant shifts in the demographic/diversity data.

The ethnicity pay gap shows the difference in the average pay and bonus between Black, Asian and minority ethnic colleagues and White colleagues across an organisation irrespective of role and seniority.

To provide more detail in reporting diversity data, we are now reporting across three categories: White/Caucasian; Black, Asian, Minority Ethnic; Undisclosed. Our ethnicity reporting has historically included undisclosed data. By separating undisclosed data, we are providing a new level of data transparency and integrity, which will be our baseline moving forward. We know that self-disclosure requires trust. This is why we take steps to continually improve rates of self-disclosure through communications campaigns designed to reassure our people how data is confidentially collected, securely stored and reported in a way that ultimately improves our approach to achieving our diversity and inclusion ambitions.

Increasing Black, Asian and minority ethnic representation in senior leadership is key to continuing to address our ethnicity pay gap. Ethnicity in senior leadership was 7% in 2023 (2022 restated: 7%).

Our ethnicity percentage for GEC and GEC direct reports increased slightly to 7.4% at the end of 2023 from 6.7% at the end of 2022 (restated to exclude undisclosed). This is an increase of over 5% from our 2019 baseline of 2% (excluding undisclosed).

The Board remains fully committed to continuing to increase diversity at M&G by attracting the broadest range of leaders and to achieve our ambitious target of 20% ethnic minority diversity within senior leadership by 2025. We recognise we have some way to go and have a number of initiatives to progress ethnic diversity at a senior level, including increasing our use of job boards targeting diverse candidates such as Black Women in Asset Management and Black Professionals Scotland. We are also building our succession pipeline from the very start, with a greater focus on the broader diversity of colleagues joining our early careers schemes including interns, graduates and apprenticeships.

The difference between median and mean

The mean pay gap is calculated by adding up all of the pay of M&G plc's UK employees and dividing it by the number of UK employees.

The median ethnicity pay gap is calculated by lining up all M&G plc's UK employees' pay and finding the mid-point for Black, Asian and minority ethnic colleagues, and White colleagues.

The difference between those two midpoints is the median ethnicity pay gap.

Our Group mean ethnicity pay gap improved to 3.2% from 5.5% in 2022.

Attracting and developing diverse talent

We know that an inclusive environment makes us more accessible and ensures we attract, develop, promote and retain exceptional people. We cast a wide net to recruit candidates from a broad range of backgrounds and experiences, and we welcome applications from all individuals regardless of age, gender / gender identity, sexual orientation, ethnicity/ nationality, disability, or military service, as well as those who have taken career breaks.

We have ambitious targets to ensure fair representation of women and individuals who identify as Black, Asian or from a minority ethnic background throughout M&G, but our approach to attracting the diversity of talent in the market is far broader than this.

By ever expanding our use of diverse job boards, we are encouraging a more diverse range of candidates to consider careers in our industry and improve the diversity of our talent pipeline. In 2023, we partnered with LGBT Great Careers in the launch of a new platform, which aims to empower over one million people who identify with the larger LGBTQ+ community by 2030 to actively apply for roles across the industry. In addition, we are encouraging professionals looking for new opportunities to consider a career at M&G by posting roles in Asset Management, Technology and Finance on job boards hosted by Black Women in Asset Management and Black Professionals Scotland.

Colleague inclusion continues to be measured on a regular basis as part of our OneVoice surveys. Taking into account the level of change at the senior leadership during 2023, our three-year average score of 70 remains stable (2022: 69), and continues to reflect that care and integrity are core values at M&G.

Our commitment to advancing female talent

We recognise that women remain in the minority throughout UK financial services, although the gender balance is improving every year. We are consciously seeking to redress this imbalance and we are committed to engaging, advancing, and retaining female talent at all levels. Our membership of 100 Women in Finance provides networking and mentoring opportunities and has introduced M&G as an inclusive employer to over 25,000 members.

In conjunction with our gender employee network Elevate, we have partnered with Everywoman, a global learning and development platform, which provides access to educational resources, advice from senior women in business and access to a network of global organisations. Our memberships of 100 Women in Finance and Black Women in Asset Management expands our ability to offer female colleagues opportunities for mentoring, development and networking, enhancing their career growth.

Our successful Career Returners programme, in partnership with Women Returners, provides talented individuals a pathway back to work after a career break, or try a different role and gain new insights, experiences and skills. We have had a 100% conversion to permanent or full-time contracts for the previous two programmes. In 2023, we secured three returners, all of whom now have permanent, full-time roles at M&G, joining us in product governance and technical projects.

We also use diversity-focused search firms to deliver shortlists of candidates for senior roles that are at least 33% diverse, while we designed our Aspire Career Exploration programme to identify, develop and nurture our existing diverse talent and maximise our own internal talent pipeline. It is open to everyone but targeted towards Black, Asian and minority ethnic colleagues who want to explore careers in distribution or client-facing investment roles.

From our Aspire inaugural cohort, we offered ten colleagues full-time roles, of which all accepted, while two returned to their original roles. The programme success continues with eight colleagues accepted onto the programme, of which 37.5% are female and 50% are from Black, Asian and minority ethnic backgrounds.



Our approach to early careers

We are committed to continue to expand our ability to have the most diverse workforce throughout M&G, including our entry-level colleagues. For those starting out in their career, our graduate scheme offers placements in Investments, Technology, Wealth, Risk and Compliance, and Finance to recent graduates of any degree discipline, lasting from 18 to 24 months.

Our summer internships give penultimate-year students an immersive M&G experience for eight weeks. In 2023, we welcomed 35 interns from 3,000 applications, which represented a 112% increase from 2022. Out of the 35, 42% were female, 50% ethnically diverse, 31% from non-Russell Group universities and 58% were based in Scotland. In 2023, we offered this diverse group opportunities across all our business areas for the first time.

Our apprenticeship programme has a high ranking in the Top 100 Apprenticeship Employers League Table for the insurance, asset and investment management industries, and has been one of the leaders in our sector for the past three years. It offers apprentices the chance to gain a qualification while learning on the job and earning a salary, which can last up to 21 months.

We work with organisations and charities including Talent Foundry, Urban Synergy and Investment 2020 to reach a wider pool of potential apprentices. Due to the smaller size of these cohorts, the diversity figures can fluctuate, but our general trend is of broadening diversity, including ethnicity, neurodiversity and social mobility. In 2023, 21 apprentices joined us (2022: 19), with 5% from Urban Synergy and Talent Foundry; 33% of our apprentices identified as Black, Asian or from minority ethnic backgrounds; and 10% self-declared as neurodivergent. While we received more applications from male candidates (72%), 42% of our cohort was female.

In 2023, we also increased the number of candidates from lower socio-economic backgrounds, which is highlighted by the Social Mobility Index as good practice, and is also part of our commitment to continue to expand our ability to have the most diverse workforce: 91% of our apprentices came from state schools and 31% were on free school meals.

Supporting careers 2023

50%

of interns are ethnically diverse

31%

of interns are from non-Russell Group universities

42%

of apprentices are female

33%

of apprentices are ethnically diverse

Retaining great talent through a life stages approach

Life Stages is a pillar of our D&I strategy that provides us with the vehicle by which we can address the needs of an increasingly diverse workforce, so we can ensure that our colleagues are working in an environment that supports them throughout their personal and professional life. We are proud of our flexible and family-friendly culture. We design our market-leading, progressive policies that meet our colleagues' needs at their different life stages, and we recognise that everyone will experience different life experiences at different times – for instance, becoming a carer can happen at any age.

Our HR policies are constantly evolving to give our colleagues the freedom to achieve a healthy work-life balance and positive well-being, while making sure we do what is best for our clients. For example, families come in all shapes and sizes, and we believe all parents deserve the same opportunity to spend time with their new arrival. We want to keep it simple, and the M&G Inspiring Families policy has done this by combining maternity, adoption, surrogacy and paternity leave into paid parental leave.

However our colleagues become a parent (surrogacy, giving birth or adoption), they receive an equal amount of paid parental leave to care for their child. Our Inspiring Families policy is also helping to create a positive shift in how colleagues view parental leave, with 68% of those taking advantage of this policy over the last year being men.

Having a degree of flexibility to manage how long, where and when colleagues work can help balance their personal life, responsibilities and commitments. Our Take Time When You Need It policy does not focus on how many hours our colleagues spend in the office or how many holiday hours have been used. It enables colleagues more flexibility to work in the way that works for them and the business. Recognising needs are ever evolving, we have recently added paid leave to the policy to support those going through fertility treatment.

Innovative policies to support all colleagues

Our market-leading gender-neutral Menopause policy covers menopause, perimenopause and other hormonal imbalances, which can all have a significant impact on those experiencing it along with their family members, friends and colleagues. We have designed our policy and resources to normalise conversations on this topic and to provide help and support to colleagues when they need it. We have also signed the Menopause Pledge to demonstrate our commitment to providing additional support.



Supporting all our people

We have 1.66% employees in the UK who consider themselves disabled, and in 2023, we were re-accredited as Disability Confident employer Level 3, the highest level recognised under the Department for Work and Pensions Disability Confident Scheme.

This scheme supports employers to make the most of the talents disabled people bring to the workplace, creating a movement of change and encouraging companies in all sectors to think differently about disability, by improving the way they recruit, retain and develop colleagues who have unique skills and valuable talents, but who are disabled in some way.

Through our partnership with Leonard Cheshire and its Change 100 internship programme, we help students and graduates with long-term health conditions or disability gain work placements, and our recruitment team partners with Evenbreak to advertise roles on its job board, aimed at attracting more disabled candidates.

Declaration

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

A handwritten signature in black ink, appearing to read 'Andrea Rossi', with a stylized flourish at the end.

Andrea Rossi

Group Chief Executive Officer, M&G plc



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