

Learning From Diversity & Inclusion Leaders: Prudential Financial and PepsiCo

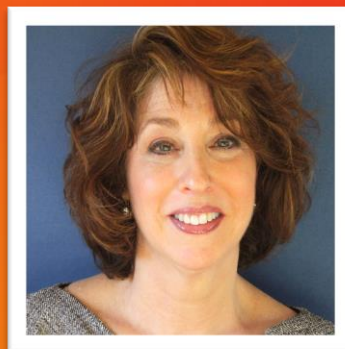
September 2, 2014



Michele C. Green
Vice President,
Chief Diversity Officer
PRUDENTIAL FINANCIAL



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Diversity & Inclusion
PEPSICO



Moderated by:
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Managing Partner
**HUDSON RESEARCH &
CONSULTING, INC.**

Agenda

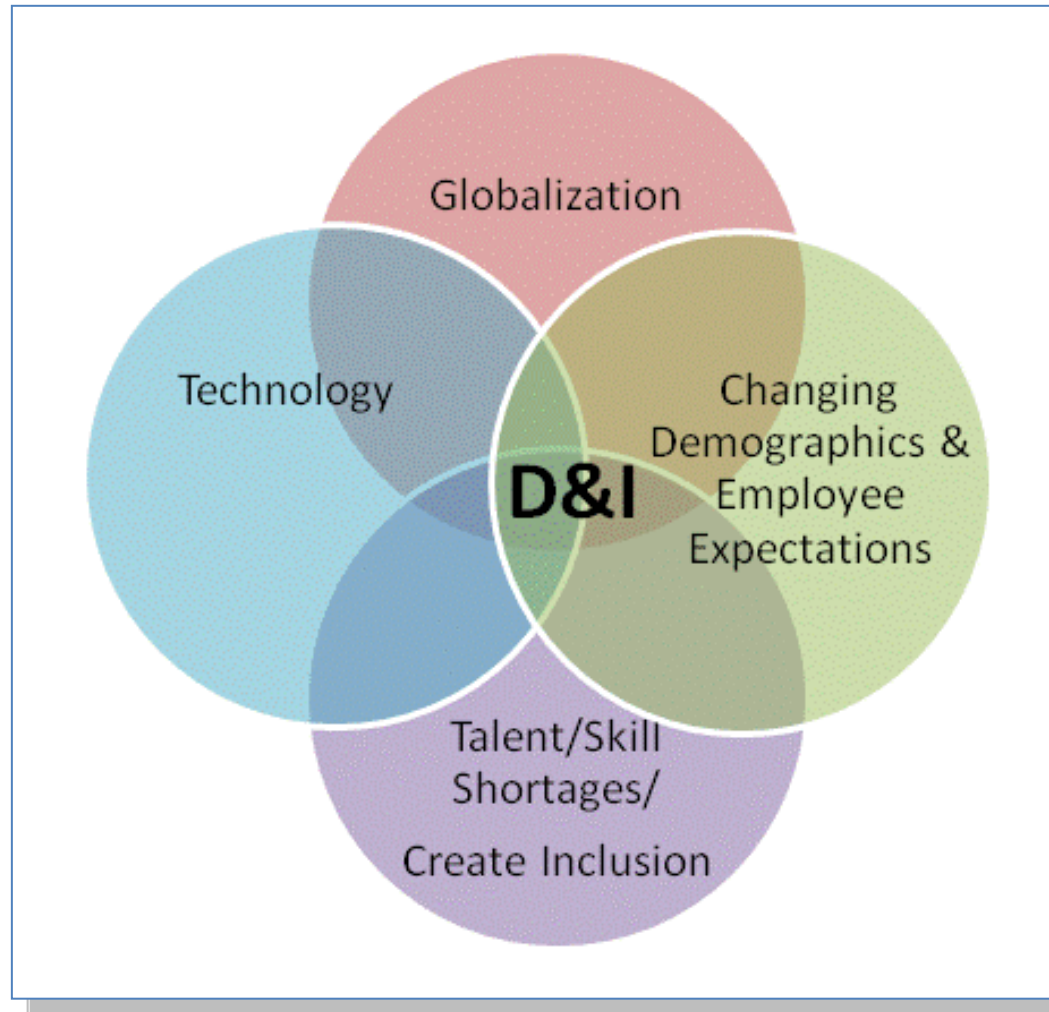
- Learn how Prudential and PepsiCo establish priorities for D&I investments and obtain senior-level sponsorship
- Discover how Prudential and PepsiCo engage employees at different levels in their respective organizations to get involved
- Learn how Prudential's Signature Financial Experience Series are "big wins" at the firm
- Learn how PepsiCo creates rewards and recognition programs to promote diversity best practices globally.
- Explore where PepsiCo and Prudential see D&I headed in the future.

D&I: Definition for Our Session Today

Diversity is all kinds of differences and similarities (including but not limited to: cultural background, geography, generational differences, nationality, age, gender, race, religion, sexual orientation and identity, physical abilities, personality, values, interests, skills, family status, education, business function, etc.).

Inclusion is creating an environment in which differences are respected and all people's talents may be fully leveraged.

Trends Driving D&I as a Business Imperative



About Prudential Financial

- Founded by John Fairfield Dryden, an insurance agent in 1875 in Newark, New Jersey.
- Prudential was the first company in the U.S. to make life insurance available to the working class, selling Industrial Insurance, which provided funeral and burial expenses for low-income families – some weekly premiums as low as three cents.
- 47,000 employees and sales associate in 41 countries; more than 19,000 in the United States
- \$1.166 trillion in assets under management
- Approximately \$3.5 trillion of gross life insurance in force worldwide
- Products include a wide array of financial products and services, including life insurance, annuities, mutual funds, investment management, and retirement related services.

Prudential has been helping people meet their financial goals for more than 135 years.



Prudential Financial: Our Mission

MISSION:

To help our customers
achieve financial prosperity and peace of mind.



Prudential

Bring Your Challenges[®]

Prudential D&I Awards

- ❖ #8 in “Top 50 Companies for Diversity” – *DiversityInc*
- ❖ #8 in “Top 10 Companies for People with Disabilities” – *DiversityInc*
- ❖ “100 Best Companies” – *Working Mother*
- ❖ Working Mother of the Year Award” to Caroline Feeney – National Association for Female Executives (NAFE)
- ❖ “Top 50 Companies for Executive Women” – National Association for Female Executives (NAFE)
- ❖ #8 – “Best Places to Work for Latinas” – *Latina Style magazine*
- ❖ 100% score for Human Rights Campaign Corporate Equality Index
- ❖ “Best of Best List” (diversity employers, supplier diversity programs) – *Hispanic Network Magazine*
- ❖ #71 – *Top Military Friendly Employer* – *G.I. Jobs magazine*
- ❖ #2 – “Top 50 Employers Readers Choice Award” – *Equal Opportunity magazine*
- ❖ Outstanding Commitment to D&I (Financial Services) - Dandi Awards
- ❖ Upstander Award – Tyler Clementi Foundation
- ❖ “Diversity Champion Award” - *Disability Matters magazine*
- ❖ “Best Companies for Diversity Practices” – *Hispanic Business magazine*
- ❖ “ 100 Best Adoption-Friendly Workplaces” – Dave Thomas Foundation for Adoption

About PepsiCo

PepsiCo is a global food and beverage powerhouse. Our broad range of more than 3,000 delicious products offers consumers convenient, nutritious and affordable options in nearly every country around the world.



Global Beverages

Performance



More than
\$66 billion
revenue

Global Snacks

Brands



22
billion-dollar
brands

Scale



>200
countries
& territories

Global Nutrition

People



More than
250,000
employees

Recent PepsiCo Awards & Recognition



About HUDSON Research & Consulting



- In business since 2001, focusing on D&I, competency models, organizational and market research, and global leadership and consulting.
- Focus on creating solutions that engage everyone—up, down and across the organization—to take personal responsibility to create an inclusive environment.
- Clients include: Abbott, Aetna, Bristol-Myers Squibb, Citibank, Chubb, Estée Lauder Companies, MetLife, Novartis, NRG Energy, Merck, PepsiCo, Pfizer, Sanofi-Aventis, Tiffany & Co., as well as other Fortune 1000 companies.

Quick Poll

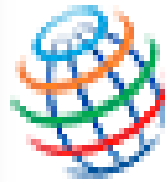
- Does your organization:
 - Have a well-developed and executed D&I approach
 - Have some D&I initiatives, but not fully developed
 - Just exploring D&I

Obtaining Senior Level Buy-in/ Establishing Priorities



Prudential
Bring Your Challenges®

<http://www.prudential.com/view/page/public/31253>



PEPSICO

<http://www.pepsico.com/Purpose/Talent-Sustainability/Diversity-and-Inclusion>

Prudential's 3 Pillar Strategy Helps to Elevate D&I

Leader Commitment and Advocacy

People

- Representation
- Inclusion
- Culture and climate
- Talent sourcing and development

Market

- Multi-cultural marketing
- Advertising and public relations
- Niche products

Community

- Supplier diversity
- Third party asset managers and minority banking
- Social investments
- Philanthropy benefitting communities of color

Accountability and Measurement

Prudential Best Practices – Leading Edge D&I Strategies

1. High degree of leadership commitment and involvement
 - Senior Executive Council
 - Leader-led actions and outcomes
2. Metrics and accountability as core components
3. Diversity embedded into all aspects of talent management and leadership
4. Employee Engagement
 - Business Resource Groups
 - Mentoring programs
 - Cutting-edge work-life programs
 - D&I Focus Groups, surveys
5. Robust internal and external communications
6. D&I education and awareness training to drive an inclusive culture/environment
7. Robust strategy to penetrate diverse market segments
8. Strong corporate social responsibility agenda
 - Impact investing
 - Commitment to supplier diversity
 - Partnering with relevant external organizations
9. External recognition as D&I thought leader

Key to D&I Sustainability

Top Down



← Engage the Middle →



Bottom Up

Prudential Leverages BRGs to Drive Business



A·D·A·P·T

Abled & disAbled Associates
Partnering Together

APAA

Asian/Pacific Islander American Association



Employee Association of Gay Men, Lesbians, Bisexual, Transgender & Allies



Prudential's Military, Veterans, and Veteran Supporters Group

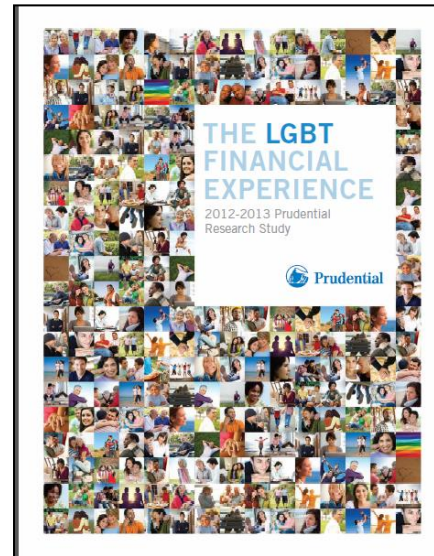
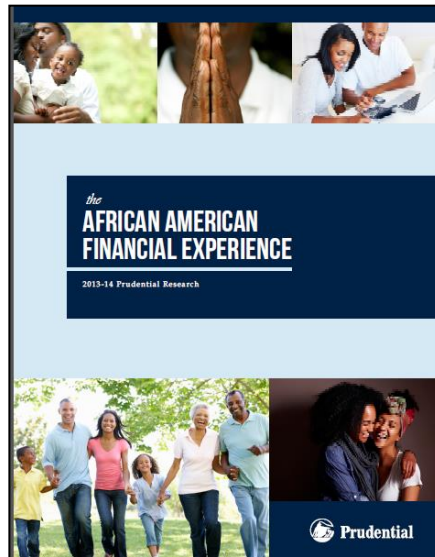


“Big Wins”: Workplace & Marketplace



“Big Wins”: Prudential Workplace & Marketplace

Prudential Leads in Ground-Breaking Research through its Signature Series of Studies on the Unique Financial Experiences of Women, African Americans, LGBTs and Hispanic Americans



PepsiCo: Continuing a Journey of “Firsts”

1940s

- First company to grant franchise to people of color
- First company to engage in multicultural marketing

1950s

- First major company to have a woman on its Board

1960s

- First major company to appoint a Black to VP role

1980s

- Pioneered multicultural music marketing

2000s

- First major company to link executive bonuses to D&I



Our current D&I Business Case emphasizes “the mix” ...

Workforce Reflects our Consumer Base



Deliver growth by leveraging the changing competitive realities of today’s marketplace

War for Talent



Attracting, developing and retaining diverse talent

Inclusion Drives Growth



An inclusive work culture enables a diverse workforce to contribute fully, inspiring innovation and driving growth

Our new D&I Business Case emphasizes what we do with “the mix”

Consumer Centricity



Our ability to rapidly and accurately respond to current and emerging consumer needs...

Depends on

Multi-Generations



Our ability to hire, serve and understand the value system of the emerging workforce...

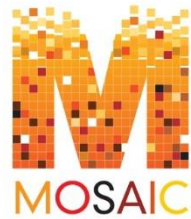
And...

Workforce Utilization



Our ability to fully leverage the capabilities of a multi-cultural workforce...

PepsiCo Employee Resource Groups



WOMEN'S INCLUSION NETWORK



Rewarding & Recognizing D&I



PepsiCo Global D&I Awards



PEPSICO

THE GLOBAL
STEVE REINEMUND

DIVERSITY & INCLUSION LEADERSHIP LEGACY AWARD

THE GLOBAL
HARVEY C. RUSSELL

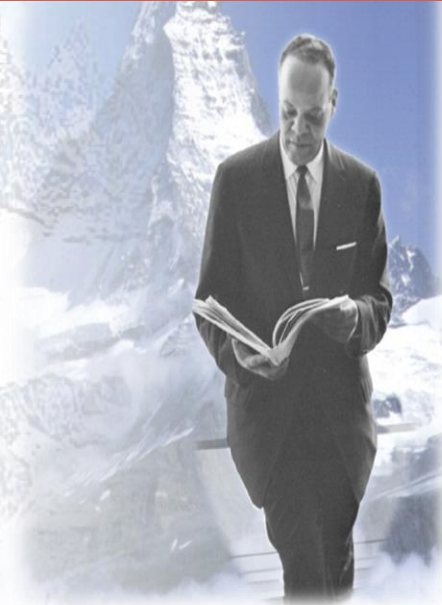
DIVERSITY & INCLUSION AWARD



PEPSICO

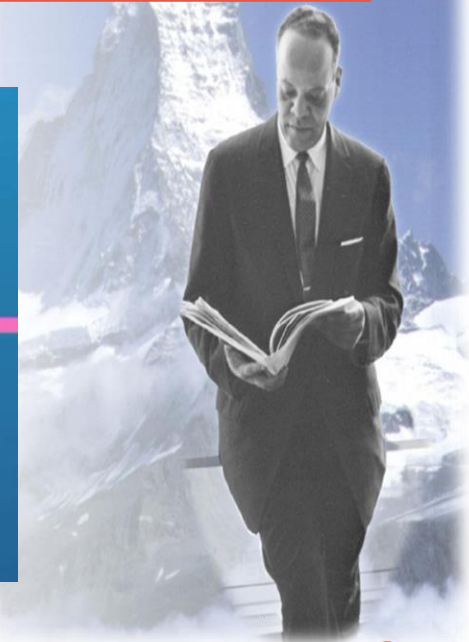


Make the Difference



Recent D&I Success Story at PepsiCo

THE GLOBAL HARVEY C. RUSSELL DIVERSITY & INCLUSION AWARD



#2014PEPD&IAWARDS



Quick Poll

- Where are your biggest D&I opportunities? (Click all that apply):
 - Training
 - Recruitment
 - Development
 - Advancement into senior ranks/Succession Planning
 - Measuring D&I
 - Other: Please note in chat box

What's Next for D&I?



Q&A

What are your questions/comments?



**GOOD LUCK WITH YOUR
D&I INITIATIVES!**

For more resources & information, contact
Marjorie Derven: mderven@hudsonrc.com/845.359.8800

Additional D&I Resources

BOOKS

- Leveraging D&I for a Global Economy , by Marjorie Derven, Ernest Gundling and Pamela Leri, ASTD Press
- Kiss, Bow or Shake Hands, by Terri Morrison and Wayne Conaway, Adams Media Press
- Forget a Mentor, Find a Sponsor by Sylvia Ann Hewitt, Harvard Business Review Press
- What is Global Leadership, by Ernest Gundling et. al
- Workplace 2020 by Jeanne Meister

ARTICLES

- “Global Diversity and Inclusion: Fostering Innovation through a Diverse Workforce,” Forbes Insights
- “The Competitive Advantage of Diverse Perspectives” by Marjorie Derven, T+D Magazine
- “ Is there a payoff from Top Team Diversity,” by T. Barta et. al, Mckinsey Quarterly, April 2012
- “IBM Finds Profit in Diversity,” by David A. Thomas, Harvard Business School
- “The Global Gender Agenda,” by J. Barsh et.al, Mckinsey Quarterly November 2012
- “How Hard Should You Push Diversity?” By M. Davidson, Harvard Business Review, September 2012

ONLINE RESOURCES

- PRUDENTIAL REPORTS (Women, African Americans, LGBT):
<http://www.prudential.com/media/managed/wm/index.html>
- <http://www.prudential.com/media/managed/aa/index.shtml>
- <http://www.prudential.com/view/page/public/30500>
- DVD of famous 1960s Blue eyes/Brown eyes classroom experiment:[www.pbs.org/wgbh/pages/frontline/shows/divided/]
- ATD D&I Blogs: <http://www.astd.org/Communities-of-Practice/Human-Capital/Best-Practices-in-Diversity-and-Inclusion>.
- [Implicit Association Test- Free online test of unconscious biases https://implicit.harvard.edu/Cached](https://implicit.harvard.edu/Cached) - Similar

Quick Poll: Future Webcasts

- What future D&I webcasts are you most interested in? (Click all that apply):
 - Integration in the talent lifecycle
 - Presenting the business case
 - D&I and changing behavior
 - Linking D&I to marketplace initiatives
 - Career Development
 - Other: please specify in the Chat Box