



RI TRANSPARENCY REPORT

2020

M&G Investments

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the reporting period specified above. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information.

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Usage restrictions

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OO 01	Mandatory	Gateway/Peering	General
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OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

OO 02.1

Select the location of your organisation's headquarters.

United Kingdom

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

☐ 1
☐ 2-5
☐ 6-10
☒ >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

2224

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

☐ Yes
☒ No

OO 03.3

Additional information. [Optional]

M&G Real Estate, which was previously a signatory in its own right, now responds as part of this M&G Investments response.

OO 04.1

Indicate the year end date for your reporting year.

31/12/2019

OO 04.2

Indicate your total AUM at the end of your reporting year.

Total AUM
 275,055,000,000 GBP
 355314005111 USD

OO 04.4

Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

☒ Not applicable as we do not have any assets under execution and/or advisory approach

OO 05.1

Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies:

	Internally managed (%)	Externally managed (%)

Listed equity	10-50%	0
Fixed income	>50%	0
Private equity	0	0
Property	10-50%	0
Infrastructure	<10%	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Money market instruments	<10%	0
Other (1), specify	0	0
Other (2), specify	0	0

OO 06	Mandatory	Descriptive	General
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OO 06.1 Select how you would like to disclose your asset class mix.

- ☐ as percentage breakdown
☒ as broad ranges

OO 06.3 Indicate whether your organisation has any off-balance sheet assets [Optional].

- ☐ Yes
☒ No

OO 06.5 Indicate whether your organisation uses fiduciary managers.

- ☐ Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
☒ No, we do not use fiduciary managers.

OO 07	Mandatory to Report, Voluntary to Disclose	Gateway	General
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Private

OO 09	Mandatory	Peering	General
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OO 09.1 Indicate the breakdown of your organisation's AUM by market.

96

Developed Markets

3

Emerging Markets

0.5

Frontier Markets

0.5

Other Markets

OO 10	Mandatory	Gateway	General
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OO 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
☐ We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- ☒ We cast our (proxy) votes directly or via dedicated voting providers

☐ We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- ☒ We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- ☐ We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Fixed income Corporate (financial) – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (securitised) – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

00 11

Mandatory

Gateway

General

00 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Fixed income - SSA

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Fixed income - corporate (financial)

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Fixed income - securitised

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Property

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Infrastructure

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Cash

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Money market instruments

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

00 12

Mandatory

Gateway

General

00 12.1

Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- ☒ Organisational Overview
- ☒ Strategy and Governance

RI implementation directly or via service providers	
Direct - Listed Equity incorporation	
<input checked="" type="checkbox"/>	Listed Equity incorporation
Direct - Listed Equity active ownership	
<input checked="" type="checkbox"/>	Engagements
<input checked="" type="checkbox"/>	(Proxy) voting
Direct - Fixed Income	
<input checked="" type="checkbox"/>	Fixed income - SSA
<input checked="" type="checkbox"/>	Fixed income - Corporate (financial)
<input checked="" type="checkbox"/>	Fixed income - Corporate (non-financial)
<input checked="" type="checkbox"/>	Fixed income - Securitised
Direct - Other asset classes with dedicated modules	
<input checked="" type="checkbox"/>	Property
<input checked="" type="checkbox"/>	Infrastructure
Closing module	
<input checked="" type="checkbox"/>	Closing module

OO LE 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.		
25			
	Passive		
0			
	Active - quantitative (quant)		
75			
	Active - fundamental and active - other		

OO FI 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies		
SSA	Passive		
	0		
	Active - quantitative (quant)		
Corporate (financial)	Active - fundamental and active - other		
	0		
	100		
Corporate (non-financial)	Passive		
	0		
	Active - quantitative (quant)		
Corporate (non-financial)	Active - fundamental and active - other		
	0		
	100		

Securitised	<input type="text"/>	Passive	<input type="text"/>
	0		
	<input type="text"/>	Active - quantitative (quant)	<input type="text"/>
	0		
	<input type="text"/>	Active - fundamental and active - other	<input type="text"/>
	100		

OO FI 03	Mandatory	Descriptive	General
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OO FI 03.1	Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.		
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SSA	<input type="text"/>	Developed markets	<input type="text"/>
	95		
	<input type="text"/>	Emerging markets	<input type="text"/>
	5		

OO FI 03.2	Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.		
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Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input checked="" type="radio"/> >50%	<input type="radio"/> >50%	100%
	<input type="radio"/> 10-50%	<input checked="" type="radio"/> 10-50%	
	<input type="radio"/> <10%	<input type="radio"/> <10%	
	<input type="radio"/> 0%	<input type="radio"/> 0%	

OO PR 01	Mandatory to Report, Voluntary to Disclose	Descriptive	General
Private			

OO PR 02	Mandatory to Report, Voluntary to Disclose	Gateway	General
Private			

OO PR 03	Mandatory to Report, Voluntary to Disclose	Descriptive	General
Private			

OO INF 01	Mandatory to Report, Voluntary to Disclose	Descriptive	General
Private			

OO INF 02	Mandatory to Report, Voluntary to Disclose	Gateway/Peering	General
Private			

OO INF 03	Mandatory to Report, Voluntary to Disclose	Descriptive	General
Private			

OO Checks			Checks
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☒ If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

SG 01	Mandatory	Core Assessed	General
SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach.		
<input checked="" type="radio"/> Yes			
SG 01.2	Indicate the components/types and coverage of your policy.		
Policy components/types <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2) 		Coverage by AUM <ul style="list-style-type: none"> <input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM 	
SG 01.3	Indicate if the investment policy covers any of the following		
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Your organisation's definition of ESG and/or responsible investment and it's relation to investments <input checked="" type="checkbox"/> Your investment objectives that take ESG factors/real economy influence into account <input checked="" type="checkbox"/> Time horizon of your investment <input checked="" type="checkbox"/> Governance structure of organisational ESG responsibilities <input checked="" type="checkbox"/> ESG incorporation approaches <input checked="" type="checkbox"/> Active ownership approaches <input checked="" type="checkbox"/> Reporting <input checked="" type="checkbox"/> Climate change <input type="checkbox"/> Understanding and incorporating client / beneficiary sustainability preferences <input type="checkbox"/> Other RI considerations, specify (1) <input type="checkbox"/> Other RI considerations, specify (2) 			
SG 01.4	Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.		
<p>At M&G we are stewards of our clients' assets, and we take seriously the responsibilities that come with this role. With that in mind, our company framework – the principles, values and behaviours that underpin everything we do – are designed around a clear goal: to help our customers prosper by putting their savings to work. Guided by our core values of care and integrity, a responsible mindset drives what we do across the whole of our business.</p> <p>M&G is a long-term investor and we believe that ESG factors can have a material impact on long-term investment outcomes. Since ESG issues tend to evolve over the longer term, we consider such factors as a fundamental component of our investment process. We regard it as part of our fiduciary responsibility to include ESG issues in our investment views, as we do for all factors that influence long-term investment results for our clients.</p> <p>This includes challenging the environmental, social and corporate governance practices of these companies if we think these pose a risk to long-term performance, understanding what targets the company has set and imbedding sustainability into the investment decision-making process.</p>			
SG 01.5	Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]		
<p>Overall responsibility for the governance and management of responsible investment activities lies with the M&G's newly formed ESG Subco which is composed of M&G's CEO and CFO and a number of executive management.</p> <p>Within M&G Investments, the asset manager, The Responsible Investment Advisory Forum (RIAF) members include a representative from each business unit involved in investment management as well as from the distribution and communication teams. The forum is chaired by M&G's Head of Corporate Finance and Stewardship. The remit of the forum includes coordinating responsible investment activities across M&G.</p> <p>The RIAF oversees the governance and management of responsible investment activities and supports the incorporation of responsible investment principles in the funds that we manage. Our active engagement with companies helps us to understand the issues affecting them and, where appropriate, to encourage positive change. We ensure strong governance and oversight of our business: through regular reporting on relevant key performance indicators and ESG metrics.</p> <p>https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/mandg-approach-to-responsible-investment.pdf</p>			
<input type="radio"/> No			
SG 01 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General

Private

SG 02	Mandatory	Core Assessed	PRI 6
SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.		
<input checked="" type="checkbox"/> Policy setting out your overall approach			
		URL/Attachment	
<input checked="" type="checkbox"/> URL https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/mandg-approach-to-responsible-investment.pdf		<input type="checkbox"/> Attachment (will be made public)	
<input checked="" type="checkbox"/> Formalised guidelines on environmental factors			
		URL/Attachment	
<input checked="" type="checkbox"/> URL https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/climate-change/MG-Climate-Change-Strategy-Aug-19.pdf		<input type="checkbox"/> Attachment (will be made public)	
<input checked="" type="checkbox"/> Formalised guidelines on social factors			
		URL/Attachment	
<input checked="" type="checkbox"/> URL https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/mandg-responsible-property-investment-policy.pdf		<input type="checkbox"/> Attachment (will be made public)	
<input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors			
		URL/Attachment	
<input checked="" type="checkbox"/> URL https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/stewardship/mandg-and-the-stewardship-code.pdf		<input type="checkbox"/> Attachment (will be made public)	
<input type="checkbox"/> Fiduciary (or equivalent) duties			
<input checked="" type="checkbox"/> Asset class-specific RI guidelines			
		URL/Attachment	
<input checked="" type="checkbox"/> URL https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/mandg-approach-to-responsible-investment.pdf		<input type="checkbox"/> Attachment (will be made public)	
<input checked="" type="checkbox"/> Screening / exclusions policy			
		URL/Attachment	
<input checked="" type="checkbox"/> URL https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/MandG_Responsible-Investment_Cluster-munitions-policy.pdf		<input type="checkbox"/> Attachment (will be made public)	
<input checked="" type="checkbox"/> Engagement policy			
		URL/Attachment	
<input checked="" type="checkbox"/> URL https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/stewardship/mandg-and-the-stewardship-code.pdf		<input type="checkbox"/> Attachment (will be made public)	
<input checked="" type="checkbox"/> (Proxy) voting policy			
		URL/Attachment	
<input checked="" type="checkbox"/> URL https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/stewardship/mandg-voting-policy.pdf		<input type="checkbox"/> Attachment (will be made public)	
<input type="checkbox"/> We do not publicly disclose our investment policy documents			
SG 02.2	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.		

- ☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment
<input checked="" type="checkbox"/> URL https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/mandg-approach-to-responsible-investment.pdf
<input type="checkbox"/> Attachment

- ☒ Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment
<input checked="" type="checkbox"/> URL https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/mandg-approach-to-responsible-investment.pdf
<input type="checkbox"/> Attachment

- ☒ Time horizon of your investment

URL/Attachment
<input checked="" type="checkbox"/> URL https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/mandg-approach-to-responsible-investment.pdf
<input type="checkbox"/> Attachment

- ☐ Governance structure of organisational ESG responsibilities

- ☒ ESG incorporation approaches

URL/Attachment
<input checked="" type="checkbox"/> URL https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/mandg-approach-to-responsible-investment.pdf
<input type="checkbox"/> Attachment

- ☒ Active ownership approaches

URL/Attachment
<input checked="" type="checkbox"/> URL https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/mandg-approach-to-responsible-investment.pdf
<input type="checkbox"/> Attachment

- ☒ Reporting

URL/Attachment
<input checked="" type="checkbox"/> URL https://global.mandg.com/our-business/mandg-investments/responsible-investing-at-mandg-investments
<input type="checkbox"/> Attachment

- ☒ Climate change

URL/Attachment
<input checked="" type="checkbox"/> URL https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/climate-change/MG-Climate-Change-Strategy-Aug-19.pdf
<input type="checkbox"/> Attachment

- ☐ We do not publicly disclose any investment policy components

SG 02.3	Additional information [Optional].
<p>Additional Asset class-specific guidelines can be found here:</p> <p>https://global.mandg.com/our-business/mandg-investments/responsible-investing-at-mandg-investments</p> <p>The only 'screening/exclusion policy' applied broadly across M&G funds is our cluster munitions and anti-personnel landmines exclusion policy. Additional screening/exclusion requirements (e.g. sector-based or norms-based) are applied to certain funds and segregated client mandates where specified in fund documents.</p> <p>Our Leveraged Finance ESG Policy Document, Infrastructure Debt ESG Policy Document, Sustainable Refurbishment and Development Framework and Real Estate Debt ESG Guiding Principles are available to clients on request.</p>	

SG 03	Mandatory	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.		
<input checked="" type="radio"/> Yes			
SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.		
<p>See link for full statement :</p> <p>https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/Conflicts%20of%20Interest%20Disclosure%20Statement_Oct%202019%20Final.pdf</p> <p>M&G's conflict of interest policy provides guidance for employees on how to identify and manage different types of conflicts that may arise in the course of our business. The overarching principles of the policy include adopting the highest standards of integrity and ethical conduct at all times, avoiding conflict situations where possible, and managing conflicts in a consistent and transparent manner when they occur.</p> <p>The policy outlines the responsibilities of management and of individual employees in preventing and managing conflicts, and contains various procedures for avoiding conflicts and dealing with them when they occur. Accountability, disclosure and awareness of potential conflicts are emphasised and staff are required to attend periodic training to ensure that a clear understanding of the policy and procedures is maintained.</p>			
<input type="radio"/> No			
SG 04	Voluntary	Descriptive	General
SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within investee entities.		
<input checked="" type="radio"/> Yes			
<input type="radio"/> No			
SG 04.2	Describe your process on managing incidents		
<p>We use two main sources of information on incidents, in addition to information derived directly from companies: general analysis of ESG performance at investee companies which flags material ESG developments and major ESG incidents within the portfolios; and screening tools to identify breaches of UN Global Compact Principles covering human rights, labour rights, bribery & corruption and the environment.</p> <p>We use this information to monitor developments within our equities portfolios and most fixed income portfolios. These issues are raised and discussed with fund managers on a regular basis and will inform the investment decisions where material and/or result in ESG engagements with the company in question.</p> <p>A full description of how we monitor and escalate incidents can be found in the below policy:</p> <p>https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/stewardship/mandg-and-the-stewardship-code.pdf</p>			
SG 05	Mandatory	Gateway/Core Assessed	General
SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.		
<input checked="" type="radio"/> Quarterly or more frequently			
<input type="radio"/> Biannually			
<input type="radio"/> Annually			
<input type="radio"/> Less frequently than annually			
<input type="radio"/> Ad-hoc basis			
<input type="radio"/> It is not set/reviewed			
SG 05.2	Additional information. [Optional]		
<p>Responsible investment objectives are set and monitored regularly at a business unit level. M&G's Responsible Investment Advisory Forum (RIAF) has oversight of responsible investment practices and initiatives across M&G. The RIAF consists of representatives from each asset class, who report progress on responsible investment initiatives to the RIAF.</p> <p>RIAF is chaired by M&G's Head of Corporate Finance and Stewardship, with regular communication of key agenda items up to the Executive Committee and Board where appropriate. We have also launched an ESG Investment Oversight function to approve M&G's ESG-labelled funds. This reports quarterly to the Investment Performance and Risk Committee.</p> <p>Finally, the M&G ESG SubCo meets six times a year to advise on ESG themes, monitor and prioritise material ESG issues and oversee the implementation of ESG-related strategies across the business.</p>			
SG 06	Voluntary	Descriptive	General
Private			
SG 07	Mandatory	Core Assessed	General
SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.		
	Roles		
<input checked="" type="checkbox"/> Board members or trustees			
<input checked="" type="checkbox"/> Oversight/accountability for responsible investment			
<input checked="" type="checkbox"/> Implementation of responsible investment			
<input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment			
<input checked="" type="checkbox"/> Internal Roles (triggers other options)			

Select from the below internal roles			
<input checked="" type="checkbox"/>	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment 		
<input checked="" type="checkbox"/>	Other Chief-level staff or head of department, specify <ul style="list-style-type: none"> All heads of asset classes <input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment 		
<input checked="" type="checkbox"/>	Portfolio managers <ul style="list-style-type: none"> <input type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment 		
<input checked="" type="checkbox"/>	Investment analysts <ul style="list-style-type: none"> <input type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment 		
<input checked="" type="checkbox"/>	Dedicated responsible investment staff <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment 		
<input type="checkbox"/>	Investor relations		
<input checked="" type="checkbox"/>	Other role, specify (1) <table border="1"> <thead> <tr> <th>Other description (1)</th> </tr> </thead> <tbody> <tr> <td>Responsible Investment Advisory Forum <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment </td> </tr> </tbody> </table>	Other description (1)	Responsible Investment Advisory Forum <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment
Other description (1)			
Responsible Investment Advisory Forum <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment 			
<input checked="" type="checkbox"/>	Other role, specify (2) <table border="1"> <thead> <tr> <th>Other description (2)</th> </tr> </thead> <tbody> <tr> <td>Corporate Finance & Stewardship team. <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment </td> </tr> </tbody> </table>	Other description (2)	Corporate Finance & Stewardship team. <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment
Other description (2)			
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<input checked="" type="checkbox"/>	External managers or service providers <ul style="list-style-type: none"> <input type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment 		

SG 07.2	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
<p>Following the demerger from Prudential plc, the M&G Executive Committee, recognising the importance of ESG, created an ESG Subco. This is responsible for oversight of implementation of ESG-related strategies and objectives, management of stakeholders and to discuss and advise the Executive Committee on ESG themes, monitor and prioritise material ESG issues for the Group. The ESG Subco includes two board members, the CEO and CFO, as well as the M&G CIO.</p> <p>The CIO is responsible for RI oversight and delegates this to each reporting asset class head for their asset class.</p> <p>The M&G Responsible Investment Advisory Forum (RIAF) coordinates all responsible investment initiatives across M&G. The RIAF consists of representatives from each asset class, and the asset class representatives are responsible for dealing with day-to-day responsible investment activities within their asset class. The asset class representatives report progress on responsible investment initiatives within their asset class to the RIAF, and the RIAF assesses and reviews progress across the firm. The RIAF is chaired by M&G's Head of Corporate Finance and Stewardship who escalates issues as necessary to the ESG Subco.</p> <p>"External managers or service providers" indicated above, refers to outsourced property management and consultancy support for M&G Real Estate.</p> <p>Portfolio managers and analysts are responsible for forming investment views and making investment decisions. Analysts include consideration of ESG issues in their investment analysis, and portfolio managers use this analysis when making investment decisions. In addition, portfolio managers independently consider material ESG factors as part of their investment processes. Hence, M&G's investment analysts and portfolio managers are central to the implementation of responsible investment.</p>	

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.						
	15						
SG 07.4	Additional information. [Optional]						
<p>Within Equities, investment teams are supported by ten members of the Corporate Finance and Stewardship team, whose activities focus on Responsible Investment implementation, ESG integration and active stewardship.</p> <p>Three dedicated responsible investment staff are employed in our real estate division where we also see a strong link between environmental and social factors and investment risks and return.</p> <p>Within fixed income we have two members of staff dedicated to responsible investment, focusing on various ESG and impact investment initiatives. In addition, many of our fixed income investment professionals spend a significant proportion of their time focused on responsible investment. However, as an outcome of our integrated approach to ESG, the primary role of such employees lies in other fields such as portfolio management or credit analysis.</p> <p>In addition to the above-mentioned individuals, some of whom sit on the Responsible Investment Advisory Forum (RIAF), there are other RIAF members who spend a significant portion of their time on implementation and oversight of responsible investment, but would not be solely categorised as dedicated RI staff.</p>							
SG 07 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General				
Private							
SG 08	Voluntary	Additional Assessed	General				
Private							
SG 09	Mandatory	Core Assessed	PRI 4,5				
SG 09.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.						
<input checked="" type="checkbox"/> Principles for Responsible Investment							
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Advanced							
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<input checked="" type="checkbox"/> Asian Corporate Governance Association							
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<input type="checkbox"/> Australian Council of Superannuation Investors							
<input type="checkbox"/> AVCA: Sustainability Committee							
<input type="checkbox"/> France Invest – La Commission ESG							
<input type="checkbox"/> BVCA – Responsible Investment Advisory Board							
<input checked="" type="checkbox"/> CDP Climate Change							
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<input type="checkbox"/> CDP Forests							
<input type="checkbox"/> CDP Water							
<input type="checkbox"/> CFA Institute Centre for Financial Market Integrity							
<input checked="" type="checkbox"/> Climate Action 100+							
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- ☐ Code for Responsible Investment in SA (CRISA)
- ☐ Council of Institutional Investors (CII)
- ☐ Eumedion
- ☐ Extractive Industries Transparency Initiative (EITI)
- ☐ ESG Research Australia
- ☐ Invest Europe Responsible Investment Roundtable
- ☐ Global Investors Governance Network (GIGN)
- ☒ Global Impact Investing Network (GIIN)

	Your organisation's role in the initiative during the reporting period (see definitions)
Advanced	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
During 2019, M&G sponsored and attended the GIIN Investor Forum in Paris and M&G presented at this event. We are also a member of the listed equities working group focusing on designing standards and methodologies that apply to public equity impact investors.	

- ☒ Global Real Estate Sustainability Benchmark (GRESB)

	Your organisation's role in the initiative during the reporting period (see definitions)
Moderate	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
M&G Real Estate submitted ten funds to the GRESB survey (over 85% by value, of its assets under management). All of the submitted funds were awarded Green Stars in the survey. M&G Real Estate provided feedback to GRESB on developing and improving the survey, both individually and collectively through the Better Buildings Partnership.	
In 2017 we became a member of GRESB.	

- ☒ Green Bond Principles

	Your organisation's role in the initiative during the reporting period (see definitions)
Moderate	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
M&G is a signatory to the Green Bond Principles, has responded to consultations, participated in conference calls.	

- ☐ HKVCA: ESG Committee

- ☒ Institutional Investors Group on Climate Change (IIGCC)

	Your organisation's role in the initiative during the reporting period (see definitions)
Advanced	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
M&G has been a member for a number of years through M&G Real Estate but became more active across the business and participated in a number of events in support of the initiative. We regularly participate in investor meetings, in particular with regards to the Climate Action 100+ initiative as discussed above. We co-filed and supported the initiative's BP shareholder resolution.	

- ☐ Interfaith Center on Corporate Responsibility (ICCR)

- ☒ International Corporate Governance Network (ICGN)

	Your organisation's role in the initiative during the reporting period (see definitions)
Advanced	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
M&G became a member in 2017. In 2019 M&G attended and participated in a panel discussing shareholder activism in North America and is joining the shareholder rights committee in 2020.	

- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)

- ☐ International Integrated Reporting Council (IIRC)

- ☐ Investor Network on Climate Risk (INCR)/CERES

- ☐ Local Authority Pension Fund Forum

- ☐ Principles for Financial Action in the 21st Century

- ☐ Principles for Sustainable Insurance

- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

UKSIF

	Your organisation's role in the initiative during the reporting period (see definitions)
Basic	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
We are members of the UKSIF	

- ☐ Responsible Finance Principles in Inclusive Finance
- ☐ Shareholder Association for Research and Education (Share)
- ☒ United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)
Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
M&G has co-financed, -sponsored and -developed the TCFD scenario analysis pilot initiative for asset managers culminating in the launch of the tool and related report in 2019. The aim of the scheme was to develop an advanced methodology to enable investors across asset classes to assess both transition and physical risks related to climate change at portfolio level.

- ☐ United Nations Global Compact
- ☒ Other collaborative organisation/initiative, specify

CFA Society of the UK

Your organisation's role in the initiative during the reporting year (see definitions)
Moderate

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
M&G's Director of Responsible Property Investment presented at the society's first CFA ESG conference.

- ☒ Other collaborative organisation/initiative, specify

Better Buildings Partnership (BBP)

Your organisation's role in the initiative during the reporting year (see definitions)
Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<p>The BBP is a collaboration of the UK's leading commercial property owners who are working together to improve the sustainability of existing commercial building stock. M&G Real Estate has been actively involved and contributed to several working groups and outputs including:</p> <ul style="list-style-type: none"> • Director's dinner on climate change which was attended by 18 CEOs, CIOs and Directors from BBP membership, including M&G RE. • Climate change commitment which has been signed by 23 members (including M&G RE) to deliver net zero carbon real estate portfolios by 2050. • Chairing of the 'Net Zero' working group which will support members in progressing towards the net zero 2050 target.

- ☒ Other collaborative organisation/initiative, specify

Climate Bond Initiative

Your organisation's role in the initiative during the reporting year (see definitions)
Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
<p>In 2019, we participated in a panel at the Climate Bond Initiative conference in London and were members of the CBI Green Bonds Awards Advisory Committee.</p> <p>Participated in one-to-one meetings with CBI and industry discussion groups, to share knowledge on various topics including financing the 'brown to green transition' and growing the green bond market.</p>

- ☒ Other collaborative organisation/initiative, specify

The Investment Association

Your organisation's role in the initiative during the reporting year (see definitions)
Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
M&G are actively engaged IA members and attended numerous meetings throughout 2019, including regular meetings of the Association's remuneration, stewardship and responsible investment committees, of which we are members. These meetings allowed M&G to work with other investors to share thoughts and align views on a variety of topics.

SG 10	Mandatory	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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- ☒ Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
---------	--

- ☒ Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description
M&G has presented at numerous industry events on ESG and impact investing, attended by a range of stakeholders including other investment managers, investment consultants and IFAs. Over the year, we have presented on panels on specific ESG topics such as deforestation, plastics and shareholder activism in the US. We spoke on a panel aimed at investee companies on the expectations of

investors on ESG disclosures at the IR Magazine Conference, and the Nasdaq Governance Solutions Client Summit on the importance of ESG disclosures by companies. The Director of Responsible Property Investment also spoke at the CFA Society UK's first ESG conference. During the year we spoke at a number of events focused on impact investing. Among these, we presented at the SDG Investing Fair at the UN headquarters in New York on how to use public equity markets to scale up impact; we spoke at the World Impact Summit in London on the challenges and opportunities of listed market impact investing; and at the Worthstone Impact investment Academy, we looked to bring equity impact investment to life through examples of how impact analysis can be applied to specific companies across sectors.

Frequency of contribution
<input type="radio"/> Quarterly or more frequently
<input type="radio"/> Biannually
<input type="radio"/> Annually
<input type="radio"/> Less frequently than annually
<input checked="" type="radio"/> Ad hoc
<input type="radio"/> Other

☒ Provided financial support for academic or industry research on responsible investment

Description
As the lead financial sponsor to the All Party Parliamentary Corporate Governance Group (APPCG) we have hosted meetings at Westminster

Frequency of contribution
<input type="radio"/> Quarterly or more frequently
<input type="radio"/> Biannually
<input type="radio"/> Annually
<input type="radio"/> Less frequently than annually
<input checked="" type="radio"/> Ad hoc
<input type="radio"/> Other

☐ Provided input and/or collaborated with academia on RI related work

☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description
As a member of the IA Sustainability and Responsible Investment Committee, M&G attended quarterly to discuss various topics including disclosure. This included a specific focus on requirements around ESG disclosures. The committee has working groups focusing on climate change, fund communication and the responsible investment framework. These all are key in standardising language and improving transparency and disclosure across the investment industry. We are also members of the Stewardship committee of the IA, which has fed back on the new stewardship code and reporting related to this.

Frequency of contribution
<input checked="" type="radio"/> Quarterly or more frequently
<input type="radio"/> Biannually
<input type="radio"/> Annually
<input type="radio"/> Less frequently than annually
<input type="radio"/> Ad hoc
<input type="radio"/> Other

☒ Spoke publicly at events and conferences to promote responsible investment

Description
M&G held numerous meetings across the country presenting on ESG and raising awareness of M&G's approach to responsible investing. These meetings reflected the broad range of levels of awareness of ESG among our client base, from early stage introductory meetings with clients where the topic was just appearing on their radar screen, to highly informed discussions on in-depth sustainability issues. This emphasises the importance of M&G continuing to play an educational role with our clients, but also encouragingly highlighted the fast-growing demand for information on our approach to responsible investment and growing appetite for funds that are explicitly linked to ESG. These have included speaking at an IR Magazine conference and participating in the SDG Investment Fair at the UN Headquarters in New York. We also sponsored 'Responsible Investor Europe' conference and spoke on impact investment at the event. At the Pensions for Purpose 'Investing with Impact Summit' we also sponsored and presented on private debt impact investing.

Frequency of contribution
<input checked="" type="radio"/> Quarterly or more frequently
<input type="radio"/> Biannually
<input type="radio"/> Annually
<input type="radio"/> Less frequently than annually
<input type="radio"/> Ad hoc
<input type="radio"/> Other

☒ Wrote and published in-house research papers on responsible investment

Description
The Corporate Finance & Stewardship team writes in-house papers on major ESG topics which are circulated internally, with workshops

held to discuss. In 2019, we covered topics such as palm oil and deforestation, cyber security and anti-microbial resistance.

Frequency of contribution

- | |
|---|
| <input checked="" type="radio"/> Quarterly or more frequently |
| <input type="radio"/> Biannually |
| <input type="radio"/> Annually |
| <input type="radio"/> Less frequently than annually |
| <input type="radio"/> Ad hoc |
| <input type="radio"/> Other |

☐ Encouraged the adoption of the PRI

☒ Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description

We responded to member consultations from the IA and gave frequent feedback as members of various committees. We also took part in ShareAction's AODP survey during the year. We also responded to the Asian Corporate Governance Association's call for feedback on a new stewardship code for the region.

Frequency of contribution

- | |
|---|
| <input checked="" type="radio"/> Quarterly or more frequently |
| <input type="radio"/> Biannually |
| <input type="radio"/> Annually |
| <input type="radio"/> Less frequently than annually |
| <input type="radio"/> Ad hoc |
| <input type="radio"/> Other |

☒ Wrote and published articles on responsible investment in the media

Description

M&G wrote an article on ESG matters in private debt, including a case-study of loan issuer Flora Foods (now known as Upfield). This was published on the PRI website. There were a number of articles written on both ESG and impact investment published in various UK and European publications

Frequency of contribution

- | |
|---|
| <input type="radio"/> Quarterly or more frequently |
| <input type="radio"/> Biannually |
| <input type="radio"/> Annually |
| <input type="radio"/> Less frequently than annually |
| <input checked="" type="radio"/> Ad hoc |
| <input type="radio"/> Other |

☒ A member of PRI advisory committees/ working groups, specify

Description

We are on the PRI Fixed Income Engagement Sub-Committee and in 2019 joined the PRI deforestation working group.

Frequency of contribution

- | |
|---|
| <input checked="" type="radio"/> Quarterly or more frequently |
| <input type="radio"/> Biannually |
| <input type="radio"/> Annually |
| <input type="radio"/> Less frequently than annually |
| <input type="radio"/> Ad hoc |
| <input type="radio"/> Other |

☐ On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

☐ Other, specify

☐ No

SG 10.3

Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

Influencer member and regular contributor to Pensions for Purpose

Fixed Income:

Member of the Loan Market Association (LMA) Green Lending Principles working party, to develop principles for green loans.

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
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SG 11.1

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.

☒ Yes

If yes

☒ Yes, individually
☒ Yes, in collaboration with others

SG 11.2

Select the methods you have used.

☐ Endorsed written submissions to governments, regulators or public policy-makers developed by others
☐ Drafted your own written submissions to governments, regulators or public-policy markers
☒ Participated in face-to-face meetings with government members or officials to discuss policy
☐ Other, specify

SG 11.3

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

☐ Yes, publicly available
☒ No

☐ No

SG 11.4

Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

M&G is a lead sponsor of the All Party Parliamentary Corporate Governance Group where we regularly meet with policymakers and provide feedback. Through the Investor Forum, we also met with the Director of Labour Market Enforcement in early 2020 to discuss effective regulation and enforcement of the labour market.

As active members of the IA, we regularly give feedback which is passed on to the FRC and PRA. Through this association we have also taken part in discussions with policymakers such as the Treasury and the Department for International Development on topics including green finance and sustainable development.

SG 12.1

Indicate whether your organisation uses investment consultants.

☐ Yes, we use investment consultants
☒ No, we do not use investment consultants.

SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

☒ Yes, in order to assess future ESG factors

Describe

For certain funds we include governance and transparency in our asset allocation by geography

☒ Yes, in order to assess future climate-related risks and opportunities

Describe

As an organisation we have looked at both a fund and company level using scenario analysis tools.

☐ No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

☐ Allocation between asset classes
☐ Determining fixed income duration
☐ Allocation of assets between geographic markets
☐ Sector weightings
☒ Other, specify

For certain funds, geographic asset allocation considers ESG factors such as governance and transparency.

☐ We do not consider ESG issues in strategic asset allocation

Private

SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.		
<input checked="" type="checkbox"/> Changing demographics <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Resource scarcity <input checked="" type="checkbox"/> Technological developments <input type="checkbox"/> Other, specify(1) <input type="checkbox"/> Other, specify(2) <input type="checkbox"/> None of the above			
SG 14.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity		
<input type="checkbox"/> Established a climate change sensitive or climate change integrated asset allocation strategy <input checked="" type="checkbox"/> Targeted low carbon or climate resilient investments			
		Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.	
Total AUM			
927,000,000 GBP			
1197491712 USD			
		Specify the framework or taxonomy used.	
Our assets invested in low carbon and climate resilient portfolios include: renewable energy, energy efficiency, green transport and green buildings as well as green bonds.			
<input type="checkbox"/> Phase out your investments in your fossil fuel holdings <input checked="" type="checkbox"/> Reduced portfolio exposure to emissions intensive or fossil fuel holdings <input checked="" type="checkbox"/> Used emissions data or analysis to inform investment decision making <input checked="" type="checkbox"/> Sought climate change integration by companies <input checked="" type="checkbox"/> Sought climate supportive policy from governments <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			
SG 14.3	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.		
<input checked="" type="checkbox"/> Scenario analysis <input checked="" type="checkbox"/> Disclosures on emissions risks to clients/trustees/management/beneficiaries <input checked="" type="checkbox"/> Climate-related targets <input checked="" type="checkbox"/> Encouraging internal and/or external portfolio managers to monitor emissions risks <input type="checkbox"/> Emissions-risk monitoring and reporting are formalised into contracts when appointing managers <input checked="" type="checkbox"/> Weighted average carbon intensity <input checked="" type="checkbox"/> Carbon footprint (scope 1 and 2) <input checked="" type="checkbox"/> Portfolio carbon footprint <input checked="" type="checkbox"/> Total carbon emissions <input checked="" type="checkbox"/> Carbon intensity <input checked="" type="checkbox"/> Exposure to carbon-related assets <input type="checkbox"/> Other emissions metrics <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			
SG 14.4	If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.		
We primarily use MSCI ESG Manager's Carbon Metrics tool to assess portfolio-level carbon exposure. Alongside this, we also use scenario analysis from the UNEP FI pilot scheme with Carbon Delta, which was recently purchased by MSCI, and ISS's climate analytics offering. We also use both MSCI and ISS for screening relating to climate - for example, fossil fuel involvement or % revenue generated. In 2019 we also trialled several other scenario analysis providers such as 427 and PACTA. We use outputs and analysis from these tools to communicate with clients.			
SG 14.5	Additional information [Optional]		
M&G Real Estate conducts carbon footprinting and target-setting for emissions reduction. We also conduct carbon footprinting on equities portfolios and are assessing how to roll out this function more broadly across fixed income portfolios.			
SG 14 CC	Voluntary		General
Private			
SG 15	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
Private			
SG 16	Mandatory	Descriptive	General

SG 16.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.		
Asset Class	Describe what processes are in place and the outputs or outcomes achieved		
Cash	<p>Our ESG approach for cash focuses on governance, as we see this as the greatest risk for short-term cash investments. Also, most of our cash investments are held at banks where governance issues are usually more material than environmental or social issues.</p> <p>We have a list of approved counterparties which have gone through the appropriate checks and due diligence.</p>		
Money market instruments	<p>Money market instruments are used effectively as cash and so are viewed similarly to the above. Our ESG approach for cash focuses on governance, as we see this as the greatest risk for short-term cash investments.</p>		

SG 18	Voluntary	Descriptive	General
Private			

SG 19	Mandatory	Core Assessed	PRI 2, 6
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SG 19.1	Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.		
Listed equity - Incorporation			
Do you disclose?			
<input type="radio"/> We do not proactively disclose it to the public and/or clients/beneficiaries <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose it publicly			
The information disclosed to clients/beneficiaries is the same			
<input checked="" type="radio"/> Yes <input type="radio"/> No			
Disclosure to public and URL			
Disclosure to public and URL			
<input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used			
Annually			
https://global.mandg.com/our-business/mandg-investments/responsible-investing-at-mandg-investments https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/mandg-equities-approach-to-responsible-investment.pdf			
Listed equity - Engagement			
Do you disclose?			
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public			
The information disclosed to clients/beneficiaries is the same			
<input checked="" type="radio"/> Yes <input type="radio"/> No			
Disclosure to public and URL			

Disclosure to public and URL
<input checked="" type="checkbox"/> Details on the overall engagement strategy <input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input checked="" type="checkbox"/> Breakdown of engagements by region <input checked="" type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
Annually
https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/stewardship/mandg-and-the-stewardship-code.pdf https://global.mandg.com/our-business/mandg-investments/responsible-investing-at-mandg-investments

Listed equity – (Proxy) Voting
Do you disclose?
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public
The information disclosed to clients/beneficiaries is the same
<input checked="" type="radio"/> Yes <input type="radio"/> No

Disclosure to public and URL
Disclosure to public and URL
<input checked="" type="radio"/> Disclose all voting decisions <input type="radio"/> Disclose some voting decisions <input type="radio"/> Only disclose abstentions and votes against management
Quarterly or more frequently
https://global.mandg.com/our-business/mandg-investments/responsible-investing-at-mandg-investments/voting-history

Fixed income
Do you disclose?
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public
The information disclosed to clients/beneficiaries is the same
<input checked="" type="radio"/> Yes <input type="radio"/> No

Disclosure to public and URL
Disclosure to public and URL
<input type="radio"/> Broad approach to RI incorporation <input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used
Annually
https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/mandg-fixed-income-approach-to-responsible-investment.pdf https://www.mandg.com/international/impactinvesting/

Property	
Do you disclose?	
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="radio"/> Yes <input type="radio"/> No	
Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="checkbox"/> ESG information on how you select property investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments <input checked="" type="checkbox"/> Information on your property investments' ESG performance <input type="checkbox"/> Other	
Annually	
https://www.mandg.co.uk/Controls/SiteRefresh/Carousels/-/media/Literature/UK/Institutional/Insights/MG-RE-RPI%20Report-2018-UK.pdf https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/mandg-responsible-property-investment-policy.pdf	
Infrastructure	
Do you disclose?	
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="radio"/> Yes <input type="radio"/> No	
Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="checkbox"/> ESG information on how you select infrastructure investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments <input type="checkbox"/> Information on your infrastructure investments' ESG performance	
Annually	
https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/mandg-approach-to-responsible-investment.pdf	

SG Checks	Checks
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☒ If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

LEI 01	Mandatory	Gateway	PRI 1				
LEI 01.1	<p>Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities; and the breakdown of your actively managed listed equities by strategy or combination of strategies.</p> <p> <input type="checkbox"/> Screening alone (i.e., not combined with any other strategies) <input type="checkbox"/> Thematic alone (i.e., not combined with any other strategies) <input checked="" type="checkbox"/> Integration alone (i.e., not combined with any other strategies) </p> <table border="1"> <tr> <td>Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5%</td> <td>92%</td> </tr> </table> <p> <input checked="" type="checkbox"/> Screening and integration strategies </p> <table border="1"> <tr> <td>Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5%</td> <td>8%</td> </tr> </table> <p> <input type="checkbox"/> Thematic and integration strategies <input type="checkbox"/> Screening and thematic strategies <input type="checkbox"/> All three strategies combined <input type="checkbox"/> We do not apply incorporation strategies </p>			Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5%	92%	Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5%	8%
Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5%	92%						
Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5%	8%						
LEI 01.3	<p>If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]</p> <p>As described in LEI 01.2, a combination of integration and screening strategies are employed. We consider that ESG integration improves the understanding within the investment teams and management of portfolio risk and opportunities, as well as providing valuable insights to fund managers and analysts to support their interaction with investee companies; screening, meanwhile, tends to be driven partly by external factors (e.g. regulation, client demand) and partly in order to support investment teams in their consideration of ESG issues</p>						
LEI 02	Voluntary	Additional Assessed	PRI 1				
LEI 02.1	<p>Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.</p> <p> <input checked="" type="checkbox"/> Raw ESG company data </p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <p> <input checked="" type="checkbox"/> Company-related analysis or ratings </p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <p> <input checked="" type="checkbox"/> Sector-related analysis or ratings </p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <p> <input checked="" type="checkbox"/> Country-related analysis or ratings </p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <p> <input checked="" type="checkbox"/> Screened stock list </p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <p> <input checked="" type="checkbox"/> ESG issue-specific analysis or ratings </p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <p> <input type="checkbox"/> Other, specify </p>						

LEI 02.2	Indicate whether you incentivise brokers to provide ESG research.				
<input type="radio"/> Yes <input checked="" type="radio"/> No					
LEI 03	Voluntary	Additional Assessed	PRI 1		
LEI 03.1	Indicate whether your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.				
<input checked="" type="checkbox"/> Engagement <ul style="list-style-type: none"> <input checked="" type="checkbox"/> We have a systematic process to ensure the information is made available. <input type="radio"/> We occasionally make this information available. <input type="radio"/> We do not make this information available. <input checked="" type="checkbox"/> (Proxy) voting <ul style="list-style-type: none"> <input checked="" type="checkbox"/> We have a systematic process to ensure the information is made available. <input type="radio"/> We occasionally make this information available. <input type="radio"/> We do not make this information available. 					
LEI 03.2	Additional information. [Optional]				
<p>Proxy voting is coordinated by M&G's Corporate Finance and Stewardship team in conjunction with the relevant shareholding fund manager(s), as appropriate. Contentious issues are raised and discussed with the fund manager(s) - informed by discussions with the investee company where appropriate - before instructing a voting decision. Resultant insights are then factored into investment decisions and the investment thesis for the company in question. This approach is systematically applied across our active equity holdings.</p> <p>Engagement activities and interactions with company management on a range of ESG issues are led jointly by investment teams and the Corporate Finance and Stewardship team. Meetings with management are made available to all investment decision makers, and the insights derived from these meetings are shared with fund managers and incorporated into investment decision-making. At the end of 2019 we began work to systematically ensure that, where appropriate, engagements between our fixed income and equity analysts were also shared.</p>					
LEI 04	Mandatory	Descriptive	PRI 1		
LEI 04.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.				
<input checked="" type="checkbox"/> Negative/exclusionary screening <ul style="list-style-type: none"> <input type="checkbox"/> Product <input checked="" type="checkbox"/> Activity <input checked="" type="checkbox"/> Sector <input checked="" type="checkbox"/> Country/geographic region <input type="checkbox"/> Environmental and social practices and performance <input type="checkbox"/> Corporate governance <table border="1"> <thead> <tr> <th>Description</th> </tr> </thead> <tbody> <tr> <td> <p>M&G has implemented an exclusion list across asset classes for securities issued by companies involved in the manufacture of cluster munitions and anti-personnel landmines. We also screen out certain countries based on our financial crime compliance list.</p> <p>An exclusion list based on sector (e.g. tobacco, alcohol, gambling) has been applied to a number of funds as part of the relevant fund managers' enhanced ESG integration approach.</p> </td> </tr> </tbody> </table>				Description	<p>M&G has implemented an exclusion list across asset classes for securities issued by companies involved in the manufacture of cluster munitions and anti-personnel landmines. We also screen out certain countries based on our financial crime compliance list.</p> <p>An exclusion list based on sector (e.g. tobacco, alcohol, gambling) has been applied to a number of funds as part of the relevant fund managers' enhanced ESG integration approach.</p>
Description					
<p>M&G has implemented an exclusion list across asset classes for securities issued by companies involved in the manufacture of cluster munitions and anti-personnel landmines. We also screen out certain countries based on our financial crime compliance list.</p> <p>An exclusion list based on sector (e.g. tobacco, alcohol, gambling) has been applied to a number of funds as part of the relevant fund managers' enhanced ESG integration approach.</p>					
<input type="checkbox"/> Positive/best-in-class screening <input checked="" type="checkbox"/> Norms-based screening <ul style="list-style-type: none"> <input checked="" type="checkbox"/> UN Global Compact Principles <input type="checkbox"/> The UN Guiding Principles on Business and Human Rights <input type="checkbox"/> International Labour Organization Conventions <input type="checkbox"/> United Nations Convention Against Corruption <input type="checkbox"/> OECD Guidelines for Multinational Enterprises <input type="checkbox"/> Other, specify <table border="1"> <thead> <tr> <th>Description</th> </tr> </thead> <tbody> <tr> <td> <p>An exclusion list based on the UN Global Compact Principles has been applied to a number of funds, as part of the relevant fund managers' enhanced ESG integration approach, in order to screen out companies considered to be in breach of the Principles.</p> </td> </tr> </tbody> </table>				Description	<p>An exclusion list based on the UN Global Compact Principles has been applied to a number of funds, as part of the relevant fund managers' enhanced ESG integration approach, in order to screen out companies considered to be in breach of the Principles.</p>
Description					
<p>An exclusion list based on the UN Global Compact Principles has been applied to a number of funds, as part of the relevant fund managers' enhanced ESG integration approach, in order to screen out companies considered to be in breach of the Principles.</p>					
LEI 04.2	Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.				
<p>Our most widely applied screen is based on the M&G cluster munitions and anti-personnel landmines policy, which involves screening all applicable portfolios to avoid investment in companies involved in the manufacture of cluster munitions or anti-personnel landmines. This policy is publicly available on our website.</p> <p>M&G uses an exclusion list provided by a well-recognised third-party specialist on screening.</p> <p>Certain portfolios within M&G's Equities business have applied additional screens either related to sector-specific considerations (e.g. tobacco exclusion) or norms-based factors (e.g. UN Global Compact-based exclusion). The UN Global Compact-based screen is applied to a group of funds for which ESG criteria -</p>					

and an assessment of ESG quality - are particularly central to the investment process and this screen is also monitored and reviewed by ISS, an external advisor.

Information on changes to these screens is available to clients upon request.

LEI 05	Mandatory	Core Assessed	PRI 1
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LEI 05.1
Indicate which processes your organisation uses to ensure ESG screening is based on robust analysis.

☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies.
☐ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar.
☒ Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
☒ Trading platforms blocking / restricting flagged securities on the black list.
☒ A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions.
☒ A periodic review of internal research is carried out.
☒ Review and evaluation of external research providers.
☐ Other; specify
☐ None of the above

LEI 05.2
Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

☒ <10%
☐ 10-50%
☐ 51-90%
☐ >90%

LEI 05.3
Indicate how frequently third party ESG ratings are updated for screening purposes.

☒ Quarterly or more frequently
☐ Bi-Annually
☐ Annually
☐ Less frequently than annually

LEI 05.4
Indicate how frequently you review internal research that builds your ESG screens.

☒ Quarterly or more frequently
☐ Bi-Annually
☐ Annually
☐ Less frequently than annually

LEI 05.5
Additional information. [Optional]

M&G uses external ESG service providers to provide information and analysis covering ESG factors in general and also issues that pertain specifically to screening/exclusion processes. The services supplied include the management of exclusion lists and the production and monitoring of company-specific assessments that act as inputs to these lists. The ESG service providers fulfil the majority of duties outlined in the 'checked' responses above. We review the research and engage with the service provided on a very regular basis.

LEI 06.1
Indicate which processes your organisation uses to ensure fund criteria are not breached.

☒ Systematic checks are performed to ensure that stocks meet the fund's screening criteria
☒ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria
☒ Audits of fund holdings are undertaken regularly by internal audit function
☐ Periodic auditing/checking of the organisations RI funds by external party
☐ Other; specify
☐ None of the above

LEI 06.2
If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.

All relevant screening/exclusion criteria are monitored by both pre- and post-trade compliance systems.

If a breach were to occur, this would be reported and addressed as per M&G Equities' standard breach procedures.

Our listed equity positive impact fund is assured annually by 3D Investing, an external party.

LEI 08.1
Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.

ESG issues	Proportion impacted by analysis	
Environmental	<input type="radio"/> <10%	Environmental
	<input type="radio"/> 10-50%	
<input type="radio"/> 51-90%		
<input checked="" type="radio"/> >90%		
Social	<input type="radio"/> <10%	Social
	<input type="radio"/> 10-50%	
<input type="radio"/> 51-90%		
<input checked="" type="radio"/> >90%		
Corporate Governance	<input type="radio"/> <10%	Corporate Governance
	<input type="radio"/> 10-50%	
<input type="radio"/> 51-90%		
<input checked="" type="radio"/> >90%		

LEI 08.2 Additional information. [Optional]

We integrate ESG factors into our analysis where we consider them to have a meaningful impact on risk or return. When researching and assessing individual companies, greater focus is given to ESG issues that are most material to our investment thesis for the company in question, and which are therefore more likely to influence the company's performance as an investment in the long run. We use a combination of the SASB framework and our inhouse views to determine which issues are financially material.

Fundamental corporate governance issues such as board composition and executive remuneration tend to be material considerations across all industries and geographies, and hence are considered for all companies. For social and environmental considerations, these can affect some companies and sectors more than others - and in different ways - but the analysis used will identify all material environmental and social issues.

LEI 09	Mandatory	Core Assessed	PRI 1
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LEI 09.1	Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis.
<input checked="" type="checkbox"/> Comprehensive ESG research is undertaken or sourced to determine companies' activities and products <input checked="" type="checkbox"/> Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies <input checked="" type="checkbox"/> Third-party ESG ratings are updated regularly <input checked="" type="checkbox"/> A periodic review of the internal research is carried out <input checked="" type="checkbox"/> Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team <input checked="" type="checkbox"/> ESG risk profile of a portfolio against benchmark <input type="checkbox"/> Analysis of the impact of ESG factors on investment risk and return performance <input type="checkbox"/> Other; specify <input type="checkbox"/> None of the above	
LEI 09.2	Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.
<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%	
LEI 09.3	Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Bi-Annually <input checked="" type="radio"/> Annually <input type="radio"/> Less frequently than annually	
LEI 09.4	Indicate how frequently you review internal research that builds your ESG integration strategy.
<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Bi-Annually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually	

LEI 09.5	Describe how ESG information is held and used by your portfolio managers.
<input checked="" type="checkbox"/> ESG information is held within centralised databases or tools, and it is accessible by all relevant staff <input checked="" type="checkbox"/> ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff <input type="checkbox"/> Systematic records are kept that capture how ESG information and research were incorporated into investment decisions <input checked="" type="checkbox"/> Other; specify <p>Certain investment teams include ESG analysis as a standard section in company research notes and keep records of how ESG is incorporated into investment decisions.</p> <input type="checkbox"/> None of the above	

LEI 09.6	Additional information. [Optional]
<p>As standard our centralised research function includes ESG information in a section of their reports. We have also introduced hashtags based on the SASB framework to allow analysts and managers to easily flag specific ESG topics when discussed in their research or meeting notes, which are uploaded to a centralised database accessible to all relevant staff.</p>	

LEI 10	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 1
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LEI 10.1	Indicate which aspects of investment analysis you integrate material ESG information into.		
<input checked="" type="checkbox"/> Economic analysis			
<table border="1"> <tr> <td>Proportion of actively managed listed equity exposed to investment analysis</td> </tr> <tr> <td> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90% </td> </tr> </table>		Proportion of actively managed listed equity exposed to investment analysis	<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Proportion of actively managed listed equity exposed to investment analysis			
<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%			
<input checked="" type="checkbox"/> Industry analysis			
<table border="1"> <tr> <td>Proportion of actively managed listed equity exposed to investment analysis</td> </tr> <tr> <td> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90% </td> </tr> </table>		Proportion of actively managed listed equity exposed to investment analysis	<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Proportion of actively managed listed equity exposed to investment analysis			
<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%			
<input checked="" type="checkbox"/> Quality of management			
<table border="1"> <tr> <td>Proportion of actively managed listed equity exposed to investment analysis</td> </tr> <tr> <td> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90% </td> </tr> </table>		Proportion of actively managed listed equity exposed to investment analysis	<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Proportion of actively managed listed equity exposed to investment analysis			
<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%			
<input checked="" type="checkbox"/> Analysis of company strategy			
<table border="1"> <tr> <td>Proportion of actively managed listed equity exposed to investment analysis</td> </tr> <tr> <td> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90% </td> </tr> </table>		Proportion of actively managed listed equity exposed to investment analysis	<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Proportion of actively managed listed equity exposed to investment analysis			
<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%			
<input checked="" type="checkbox"/> Portfolio weighting			
<table border="1"> <tr> <td>Proportion of actively managed listed equity exposed to investment analysis</td> </tr> <tr> <td> <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90% </td> </tr> </table>		Proportion of actively managed listed equity exposed to investment analysis	<input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90%
Proportion of actively managed listed equity exposed to investment analysis			
<input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90%			
<input type="checkbox"/> Security sensitivity and/or scenario analysis			
<input checked="" type="checkbox"/> Fair value/fundamental analysis			
<table border="1"> <tr> <td>Proportion of actively managed listed equity exposed to investment analysis</td> </tr> <tr> <td> <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> 51-90% <input type="radio"/> >90% </td> </tr> </table>		Proportion of actively managed listed equity exposed to investment analysis	<input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> 51-90% <input type="radio"/> >90%
Proportion of actively managed listed equity exposed to investment analysis			
<input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> 51-90% <input type="radio"/> >90%			

☐ Other; specify

LEI 10.2 Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.

- ☐ Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- ☒ Adjustments to valuation-model variables (discount rates, terminal value, perpetuity growth rates)
- ☐ Valuation multiples
- ☐ Other adjustments; specify

LEI 10.3 Describe how you integrate ESG information into portfolio weighting.

As part of equity fund managers' overall investment processes, a broad range of information and analysis is used, covering both financial and 'extra-financial' issues. Such information is sourced internally from the analyst team and externally from a variety of sources, including investee companies, ESG research providers and sell-side analysts. The ESG information is used in a similar way to other sources of analysis, i.e. to provide sufficient insight to inform and facilitate investment decision-making. The degree to which ESG information is utilised by the Equities investment teams will vary, dependent on individual fund managers' respective investment processes.

Some investment teams within equities implement an ESG integration approach whereby ESG assessments play a more central role in portfolio construction. One element of this is for fund managers to restrict the watchlists they use to monitor potential investment opportunities (the first stage of the portfolio construction process) according to ESG characteristics. Both internal and externally sourced ESG analysis is used in this process.

LEI 10.4 Describe the methods you have used to adjust the income forecast/valuation tool.

The M&G Select Team and central equity research team conduct probability-weighted scenario modelling to determine the intrinsic value of a company. ESG factors can have a direct influence on the risk premium applied to the discount rate, and ultimately the intrinsic value.

Discount rates in our valuation analysis are adjusted for Emerging Markets companies (vs Developed Markets), and ESG risks are implicitly a part of this adjustment (alongside, for example, political/currency risks).

Within certain sectors, we implicitly include discounts based on the risk of becoming stranded assets due to climate change. This includes the exposure of a company to fossil fuels, in particular coal, and to renewables.

LEI 10.6 Additional information. [OPTIONAL]

Discount rates in our valuation analysis are adjusted for Emerging Markets companies (vs Developed Markets). While ESG risks are implicitly part of this adjustment (alongside, for example, political/currency risks), we do not apply explicit/additional ESG adjustments to our emerging market valuation models.

LEI 11	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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Private

LEI Checks			Checks
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- ☒ If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

LEA 01	Mandatory	Core Assessed	PRI 2
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LEA 01.1	Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).																																																														
<input checked="" type="checkbox"/> Yes																																																															
LEA 01.2	Attach or provide a URL to your active ownership policy.																																																														
<input type="radio"/> Attachment provided: <input checked="" type="radio"/> URL provided: https://global.mandg.com/our-business/mandg-investments/responsible-investing-at-mandg-investments																																																															
LEA 01.3	Indicate what your active engagement policy covers:																																																														
<table border="1"> <tr> <th colspan="2">General approach to Active Ownership</th> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Conflicts of interest</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Alignment with national stewardship code requirements</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Assets/funds covered by active ownership policy</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Expectations and objectives</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Engagement approach</td> </tr> <tr> <th colspan="2">Engagement</th> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>ESG issues</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Prioritisation of engagement</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Methods of engagement</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Transparency of engagement activities</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Due diligence and monitoring process</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Insider information</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Escalation strategies</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Service Provider specific criteria</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Other, (specify)</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>(Proxy) voting approach</td> </tr> <tr> <th colspan="2">Voting</th> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>ESG issues</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Prioritisation and scope of voting activities</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Methods of voting</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Transparency of voting activities</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Regional voting practice approaches</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Filing or co-filing resolutions</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Company dialogue pre/post-vote</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Decision-making processes</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Securities lending processes</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Other, (specify)</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Other</td> </tr> <tr> <td><input type="checkbox"/></td> <td>None of the above</td> </tr> </table>				General approach to Active Ownership		<input checked="" type="checkbox"/>	Conflicts of interest	<input checked="" type="checkbox"/>	Alignment with national stewardship code requirements	<input checked="" type="checkbox"/>	Assets/funds covered by active ownership policy	<input checked="" type="checkbox"/>	Expectations and objectives	<input checked="" type="checkbox"/>	Engagement approach	Engagement		<input checked="" type="checkbox"/>	ESG issues	<input checked="" type="checkbox"/>	Prioritisation of engagement	<input checked="" type="checkbox"/>	Methods of engagement	<input checked="" type="checkbox"/>	Transparency of engagement activities	<input checked="" type="checkbox"/>	Due diligence and monitoring process	<input checked="" type="checkbox"/>	Insider information	<input checked="" type="checkbox"/>	Escalation strategies	<input checked="" type="checkbox"/>	Service Provider specific criteria	<input type="checkbox"/>	Other, (specify)	<input checked="" type="checkbox"/>	(Proxy) voting approach	Voting		<input checked="" type="checkbox"/>	ESG issues	<input checked="" type="checkbox"/>	Prioritisation and scope of voting activities	<input checked="" type="checkbox"/>	Methods of voting	<input checked="" type="checkbox"/>	Transparency of voting activities	<input checked="" type="checkbox"/>	Regional voting practice approaches	<input checked="" type="checkbox"/>	Filing or co-filing resolutions	<input checked="" type="checkbox"/>	Company dialogue pre/post-vote	<input checked="" type="checkbox"/>	Decision-making processes	<input checked="" type="checkbox"/>	Securities lending processes	<input type="checkbox"/>	Other, (specify)	<input type="checkbox"/>	Other	<input type="checkbox"/>	None of the above
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<input type="checkbox"/>	Other																																																														
<input type="checkbox"/>	None of the above																																																														
<input type="radio"/> No																																																															
LEA 01.4	Do you outsource any of your active ownership activities to service providers?																																																														
<input type="radio"/> Yes <input checked="" type="radio"/> No																																																															
LEA 01.6	Additional information [optional]																																																														
Our voting policy and our response to the UK Stewardship Code, which details how we engage, can both be found on the URL given.																																																															

LEA 02	Mandatory	Core Assessed	PRI 1,2,3
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LEA 02.1	Indicate the method of engagement, giving reasons for the interaction.						
<table border="1"> <tr> <th>Type of engagement</th> <th>Reason for interaction</th> </tr> <tr> <td> </td> <td> </td> </tr> </table>				Type of engagement	Reason for interaction		
Type of engagement	Reason for interaction						

Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

LEA 02.4 Additional information. [Optional]

A core tenet of our ESG engagement strategy with our investee companies is to understand how embedded ESG is within the company strategy. It is often only through active engagement that we are able to judge how well senior management have understood and managed risks to the business from, for example, climate change, resource scarcity, supply chain disruption and cyber threats.

LEA 03 **Mandatory** **Core Assessed** **PRI 2**

LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagements.

☒ Yes

LEA 03.2 Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements		
Individual / Internal staff engagements		Individual / Internal staff engagements	
	<input type="checkbox"/>	Geography/market of the companies	
	<input checked="" type="checkbox"/>	Materiality of the ESG factors	
	<input checked="" type="checkbox"/>	Exposure (size of holdings)	
	<input type="checkbox"/>	Responses to ESG impacts that have already occurred	
	<input type="checkbox"/>	Responses to divestment pressure	
	<input type="checkbox"/>	Consultation with clients/beneficiaries	
	<input type="checkbox"/>	Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)	
	<input checked="" type="checkbox"/>	Follow-up from a voting decision	
	<input checked="" type="checkbox"/>	Client request	
	<input checked="" type="checkbox"/>	Breaches of international norms	
	<input type="checkbox"/>	Other; (specify)	
	<input type="checkbox"/>	We do not outline engagement criteria for our individual engagements	
Collaborative engagements		Collaborative engagements	
	<input type="checkbox"/>	Potential to enhance knowledge of ESG issues through other investors	
	<input checked="" type="checkbox"/>	Ability to have greater impact on ESG issues	
	<input checked="" type="checkbox"/>	Ability to add value to the collaboration	
	<input type="checkbox"/>	Geography/market of the companies targeted by the collaboration	
	<input checked="" type="checkbox"/>	Materiality of the ESG factors addressed by the collaboration	
	<input checked="" type="checkbox"/>	Exposure (size of holdings) to companies targeted by the collaboration	
	<input type="checkbox"/>	Responses to ESG impacts addressed by the collaboration that have already occurred	
	<input type="checkbox"/>	Responses to divestment pressure	
	<input type="checkbox"/>	Follow-up from a voting decision	
	<input type="checkbox"/>	Alleviate the resource burden of engagement	
	<input type="checkbox"/>	Consultation with clients/beneficiaries	
	<input type="checkbox"/>	Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)	
	<input type="checkbox"/>	Other; (specify)	
		<input type="checkbox"/>	We do not outline engagement criteria for our collaborative engagement providers

☐ No

LEA 03.3	Additional information. [Optional]		
The largest factors in our decision are the size of our exposure and the financial materiality of the issue on our clients' risk or return.			

LEA 04	Mandatory	Core Assessed	PRI 2
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LEA 04.1	Indicate whether you define specific objectives for your organisation's engagement activities.		
Individual / Internal staff engagements	<input checked="" type="checkbox"/> All engagement activities <input type="checkbox"/> Majority of engagement activities <input type="checkbox"/> Minority of engagement activities <input type="checkbox"/> We do not define specific objectives for engagement activities carried out by internal staff		
Collaborative engagements	<input checked="" type="checkbox"/> All engagement activities <input type="checkbox"/> Majority of engagement activities <input type="checkbox"/> Minority of engagement activities <input type="checkbox"/> We do not define specific objectives for engagement activities carried out through collaboration		

LEA 04.2	Additional information. [Optional]		
By definition, we believe that a specific objective must be set prior to engagement. In terms of collaborative engagements, we would not take part if the collaboration's set objectives do not align with our own.			

LEA 05	Mandatory	Core Assessed	PRI 2
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LEA 05.1	Indicate whether you monitor and/or review engagement outcomes.		
Individual / Internal staff engagements	<input type="checkbox"/> Yes, in all cases <input checked="" type="checkbox"/> Yes, in a majority of cases <input type="checkbox"/> Yes, in a minority of cases <input type="checkbox"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.		
Collaborative engagements	<input type="checkbox"/> Yes, in all cases <input checked="" type="checkbox"/> Yes, in a majority of cases <input type="checkbox"/> Yes, in a minority of cases <input type="checkbox"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.		

LEA 05.2	Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.		
Individual / Internal staff engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify		
Collaborative engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify		

LEA 06	Mandatory	Additional Assessed	PRI 2,4
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LEA 06.1	Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.		
<input checked="" type="checkbox"/> Yes			

LEA 06.2	Indicate the escalation strategies used at your organisation following unsuccessful engagements.		
<input checked="" type="checkbox"/> Collaborating with other investors <input checked="" type="checkbox"/> Issuing a public statement <input checked="" type="checkbox"/> Filing/submitting a shareholder resolution <input checked="" type="checkbox"/> Voting against the re-election of the relevant directors <input checked="" type="checkbox"/> Voting against the board of directors or the annual financial report <input checked="" type="checkbox"/> Submitting nominations for election to the board <input type="checkbox"/> Seeking legal remedy / litigation			

- ☒ Reducing exposure (size of holdings)
- ☒ Divestment
- ☐ Other; specify

☐ No

LEA 06.3	Additional information. [Optional]
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In general we are supportive of the companies in which we invest. However, when the companies consistently fail to achieve our reasonable expectations we will actively promote change. Wherever possible, we seek to achieve our objectives by agreement and in a confidential manner, but will escalate through any of the above methods based on what we believe will be most effective.

LEA 07	Voluntary	Additional Assessed	PRI 1,2
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LEA 07.1	Indicate whether insights gained from your organisation's engagements are shared with investment decision-makers.
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Type of engagement	Insights shared
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="checkbox"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.2	Indicate the practices used to ensure that information and insights gained through engagements are shared with investment decision-makers.
-----------------	---

- ☒ Involving investment decision-makers when developing an engagement programme
- ☒ Holding investment team meetings and/or presentations
- ☒ Using IT platforms/systems that enable data sharing
- ☐ Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
- ☐ Other; specify
- ☐ None

LEA 07.3	Indicate whether insights gained from your organisation's engagements are shared with your clients/beneficiaries.
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Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="checkbox"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="checkbox"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.4	Additional information. [Optional]
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Both individual and collaborative engagement activities are undertaken with the involvement of M&G's fund managers and investment analysts, supported in these activities by our Corporate Finance & Stewardship team who help to co-ordinate these activities.

Notes of the meetings are recorded on an open and shared research tool that provides a useful audit trail. Our annual Corporate Finance & Stewardship report with examples of our case studies is published each year for clients.

LEA 08	Mandatory	Gateway	PRI 2
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LEA 08.1	Indicate whether you track the number of your engagement activities.
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Type of engagement	Tracking engagements
Individual/Internal staff engagements	<input checked="" type="checkbox"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="checkbox"/> Yes, we track the number of collaborative engagements in full <input type="radio"/> Yes, we partially track the number of our collaborative engagements <input type="radio"/> We do not track

LEA 08.2	Additional information. [Optional]
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The Corporate Finance & Stewardship team minute and log every company meeting they attend with the investment teams, backed up by a centralised shared diary. These minutes are reviewed every week and form the foundation of all our company reporting on engagement. The results are then published

LEA 09	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2					
Private								
LEA 10	Voluntary	Additional Assessed	PRI 2					
LEA 10.1	Indicate which of the following your engagement involved.							
<input checked="" type="checkbox"/> Letters and emails to companies <ul style="list-style-type: none"> <input checked="" type="checkbox"/> In a minority of cases <input type="checkbox"/> In a majority of cases <input type="checkbox"/> In all cases 								
<input checked="" type="checkbox"/> Meetings and/or calls with board/senior management <ul style="list-style-type: none"> <input type="checkbox"/> In a minority of cases <input checked="" type="checkbox"/> In a majority of cases <input type="checkbox"/> In all cases 								
<input checked="" type="checkbox"/> Meetings and/or calls with the CSR, IR or other management <ul style="list-style-type: none"> <input type="checkbox"/> In a minority of cases <input checked="" type="checkbox"/> In a majority of cases <input type="checkbox"/> In all cases 								
<input checked="" type="checkbox"/> Visits to operations <ul style="list-style-type: none"> <input checked="" type="checkbox"/> In a minority of cases <input type="checkbox"/> In a majority of cases <input type="checkbox"/> In all cases 								
<input type="checkbox"/> Visits to supplier(s) in supplier(s) from the company's supply chain								
<input checked="" type="checkbox"/> Participation in roadshows <ul style="list-style-type: none"> <input checked="" type="checkbox"/> In a minority of cases <input type="checkbox"/> In a majority of cases <input type="checkbox"/> In all cases 								
<input type="checkbox"/> Other								
LEA 10.2	Additional information. [Optional]							
<p>We typically meet the executive management of companies as part of their results roadshows or for international companies when they are visiting London. Our aim is to have the most relevant stakeholder for the given issue from the company present. During 2019, we met and had conference calls with heads of sustainability, procurement teams and individuals responsible for environmental stewardship. Together with the fund managers we also made several site visits to company headquarters to meet the teams behind environmental reporting, giving us a much deeper insight into how deeply embedded sustainability is within an organisation.</p> <p>Where appropriate, our engagements bring together stakeholders from our equity and fixed income teams to leverage our expertise and full range of assets.</p>								
LEA 11	Voluntary	Descriptive	PRI 2					
Private								
LEA 12	Mandatory	Descriptive	PRI 2					
LEA 12.1	Indicate how you typically make your (proxy) voting decisions.							
<table border="1"> <tr> <th>Approach</th> </tr> <tr> <td> <input type="checkbox"/> We use our own research or voting team and make voting decisions without the use of service providers. <input checked="" type="checkbox"/> We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions. </td> </tr> <tr> <th>Based on</th> </tr> <tr> <td> <input type="checkbox"/> The service-provider voting policy we sign off on <input checked="" type="checkbox"/> Our own voting policy <input type="checkbox"/> Our clients' requests or policies <input type="checkbox"/> Other (explain) </td> </tr> <tr> <td> <input type="checkbox"/> We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions. <input type="checkbox"/> We hire service providers who make voting decisions on our behalf. </td> </tr> </table>				Approach	<input type="checkbox"/> We use our own research or voting team and make voting decisions without the use of service providers. <input checked="" type="checkbox"/> We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.	Based on	<input type="checkbox"/> The service-provider voting policy we sign off on <input checked="" type="checkbox"/> Our own voting policy <input type="checkbox"/> Our clients' requests or policies <input type="checkbox"/> Other (explain)	<input type="checkbox"/> We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions. <input type="checkbox"/> We hire service providers who make voting decisions on our behalf.
Approach								
<input type="checkbox"/> We use our own research or voting team and make voting decisions without the use of service providers. <input checked="" type="checkbox"/> We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.								
Based on								
<input type="checkbox"/> The service-provider voting policy we sign off on <input checked="" type="checkbox"/> Our own voting policy <input type="checkbox"/> Our clients' requests or policies <input type="checkbox"/> Other (explain)								
<input type="checkbox"/> We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions. <input type="checkbox"/> We hire service providers who make voting decisions on our behalf.								
LEA 12.2	Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.							
<p>Our voting policy is reviewed and revised on a regular basis (at least annually). It continues to develop in line with industry trends and UK standards. Although many ESG factors are already covered within our voting policy, we are currently reviewing the policy to cover an increasing number of these topics.</p>								

The policy requires that the voting is in line with the management recommendation unless issues have been identified that breach our custom policy guidelines. Unlike a number of other asset managers, we do not just follow ISS voting guidelines. We have worked with ISS to build a custom voting service, which incorporates our public voting policy. Any issues that breach our custom policy are flagged and referred to M&G for voting decision-making. As company meetings arise, we use research from ISS (and voting information service IVIS for UK companies) to highlight any contentious issues that we were not aware of from previous consultations with investee companies.

LEA 12.3	Additional information.[Optional]
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M&G's proxy voting approach is wholly integrated within our investment management process. Votes cast are based on our well-established and published voting policy which is influenced by UK standards and applied globally taking into account local market practices. The primary aim of our voting policy is to protect and promote our interests as long-term shareholders. An integral part of this is incorporating ESG topics into the policy. On-going research and internal discussion by our Corporate Finance & Stewardship team ensures that our policies and implementation guidelines remain up-to-date and relevant.

The Corporate Finance & Stewardship team is in constant communication with the fund managers regarding any contentious issues arising across equity holdings. As a result, the team is well informed on any issues prior to a company's AGM. Any meeting or communication with the company will be taken into account when making a voting decision. Formal and informal records are maintained to ensure that all issues, both new and historic, are factored into our decision-making.

Uncontentious decisions are undertaken primarily by the Corporate Finance & Stewardship team; however, any issues or votes against are discussed with fund managers beforehand. Fund managers have the final say on how shares in their funds are to be voted. This process ensures that all future communication with the company is consistent with the voting.

We use relevant research from proxy advisory service providers to ensure voting decisions are based on the optimal level of available information (both company-specific and market-related). We never rely solely on their recommendations, instead using their research as a guide for our voting decision.

LEA 14	Voluntary	Additional Assessed	PRI 2
Private			

LEA 15	Mandatory	Descriptive	PRI 2
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LEA 15.1	Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.
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- ☐ 100%
- ☐ 99-75%
- ☐ 74-50%
- ☒ 49-25%
- ☐ 24-1%
- ☐ Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 15.2	Indicate the reasons for raising your concerns with these companies ahead of voting.
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- ☒ Vote(s) concerned selected markets
- ☐ Vote(s) concerned selected sectors
- ☒ Vote(s) concerned certain ESG issues
- ☐ Vote(s) concerned companies exposed to controversy on specific ESG issues
- ☐ Vote(s) concerned significant shareholdings
- ☐ Client request
- ☒ Other

Explain
Pre-emption rights associated with share issuance that exceed 5% of current issued share capital

LEA 15.3	Additional information. [Optional]
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Within our published voting policy we state that we will vote against any request to authorise pre-emption rights associated with share issuance that exceed 5% of current issued share capital. As this is in line with previous years voting and it is clearly stated in our voting policy, companies are aware of this bespoke policy ahead of voting.

In addition to this, we will regularly engage with companies in regard to remuneration prior to voting. Throughout the year we have communication (letters and meetings) regarding new remuneration policies to be approved at upcoming AGM's. We try to work with companies to resolve any remuneration issues prior to voting against them, but we will use this as a last resort if a conclusion has not been met.

The majority of our engagements with companies prior to voting is in regard to our UK holdings.

LEA 16	Mandatory	Core Assessed	PRI 2
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LEA 16.1	Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.
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- ☐ 100%
- ☒ 99-75%
- ☐ 74-50%
- ☐ 49-25%
- ☐ 24-1%
- ☐ We do not communicate the rationale to companies
- ☐ Not applicable because we and/or our service providers did not abstain or vote against management recommendations

LEA 16.2	Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.		
<input checked="" type="checkbox"/> Vote(s) concern selected markets <input type="checkbox"/> Vote(s) concern selected sectors <input checked="" type="checkbox"/> Vote(s) concern certain ESG issues <input type="checkbox"/> Vote(s) concern companies exposed to controversy on specific ESG issues <input type="checkbox"/> Vote(s) concern significant shareholdings <input type="checkbox"/> Client request <input type="checkbox"/> Other			
LEA 16.3	In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.		
<input checked="" type="radio"/> Yes <input type="radio"/> No			
LEA 16.4	Additional information. [Optional]		
<p>Our public voting policy discloses the reasons for voting against certain resolutions, these are public for companies to access.</p> <p>In addition to the voting policy, we publish our full voting record on our website on a quarterly basis. This voting record includes all of the voting rationales for voting against or abstaining resolutions.</p> <p>When voting against/abstaining a resolution in regard to one of our UK active equity holdings, we will write to the company outlining the main reasons why we made the voting decision.</p>			
LEA 17	Mandatory	Core Assessed	PRI 2
LEA 17.1	For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.		
<input checked="" type="radio"/> We do track or collect this information			
		Votes cast (to the nearest 1%)	
		96%	
		Specify the basis on which this percentage is calculated	
<input type="radio"/> Of the total number of ballot items on which you could have issued instructions <input type="radio"/> Of the total number of company meetings at which you could have voted <input checked="" type="radio"/> Of the total value of your listed equity holdings on which you could have voted			
<input type="radio"/> We do not track or collect this information			
LEA 17.2	Explain your reason(s) for not voting on certain holdings		
<input checked="" type="checkbox"/> Shares were blocked <input type="checkbox"/> Notice, ballots or materials not received on time <input type="checkbox"/> Missed deadline <input checked="" type="checkbox"/> Geographical restrictions (non-home market) <input checked="" type="checkbox"/> Cost <input type="checkbox"/> Conflicts of interest <input checked="" type="checkbox"/> Holdings deemed too small <input type="checkbox"/> Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement) <input type="checkbox"/> Client request <input type="checkbox"/> Other (explain)			
LEA 17.3	Additional information. [Optional]		
<p>M&G has a long tail of de minimis investment holdings that we do not currently vote. The passive only International holdings represent a very small amount of total holdings, so we therefore do not see it economical (time and cost) to focus on these votes. Everything else in the voteable universe is voted.</p> <p>The above percentage is based on the value of holdings as at the end of 2019.</p>			
LEA 18	Voluntary	Additional Assessed	PRI 2
LEA 18.1	Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.		
<input checked="" type="radio"/> Yes, we track this information			
LEA 18.2	Of the voting instructions that you and/or third parties on your behalf have issued, indicate the proportion of ballot items that were:		
<p>Voting instructions Breakdown as percentage of votes cast</p> <p>For (supporting) management recommendations 94%</p> <p>Against (opposing) management recommendations 5.5%</p> <p>Abstentions</p>			

- ☐ 0.5%
- ☐ No, we do not track this information

LEA 18.3	In cases where your organisation voted against management recommendations, indicate the percentage of companies which you have engaged.
5	

LEA 19	Mandatory	Core Assessed	PRI 2
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LEA 19.1	Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.
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- ☒ Yes
- ☐ No

LEA 19.2	Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.
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- ☒ Contacting the company's board
- ☒ Contacting the company's senior management
- ☒ Issuing a public statement explaining the rationale
- ☒ Initiating individual/collaborative engagement
- ☐ Directing service providers to engage
- ☒ Reducing exposure (holdings) / divestment
- ☐ Other

LEA 19.3	Additional information. [Optional]
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Escalation is normally conducted by the investment team alongside the Corporate Finance & Stewardship team. Often as investment is held across multiple funds, the Corporate Finance & Stewardship team will ensure a collective opinion is reached prior to engaging the company. Due to the size of M&G, we often represent a significant percentage of the vote against a company which gives us access to the board or senior management on request. Our escalation process may involve meeting with the company's chairman and/or senior independent director, the executive team, other shareholders and/or company advisors. We have, in some circumstances, made public statements and made our views available to the press. Ultimately, as an active shareholder, where the outcome of our engagement is unsatisfactory, we have the option to divest.

LEA 20	Voluntary	Descriptive	PRI 2
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Private

LEA 21	Voluntary	Descriptive	PRI 2
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LEA 21.1	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.
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- ☒ Add Example 1

ESG Topic	<input checked="" type="checkbox"/> Executive Remuneration
Conducted by	Individual/Internal
Objectives	Ensure remuneration policy aligned with shareholder interests
Scope and Process	Investment company Standard Life Aberdeen saw strong shareholder dissent on the vote to approve the remuneration report. M&G was among the 42% of opposing shareholder votes who disapproved of the 'golden hello' pay deal for the company's incoming CFO. We do not accept this is good business practice and believe this 'golden hello' could be put to better use in the business or rewarded back to shareholders.
Outcomes	Voting

- ☒ Add Example 2

ESG Topic	<input checked="" type="checkbox"/> Executive Remuneration
Conducted by	Individual/Internal
Objectives	Encourage remuneration policy to reflect business performance
Scope and Process	Our decision to oppose telecommunication conglomerate Vodafone's remuneration followed a period of poor performance and its dividend cut which, in our view, was not reflected significantly in the incentive awards granted to executives. The remuneration awarded failed to reflect the performance through the year, and therefore undermined the principle for having a remuneration policy in place. While the company announced shortly before the AGM that awards had been reduced, we felt the reductions did not go far enough.
Outcomes	Company changed practice

- ☒ Add Example 3

ESG Topic	<input checked="" type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> Other governance
Conducted by	Individual/Internal
Objectives	Ensure independence of directors
Scope and Process	At pharmaceuticals company Vectura Group, we opposed the re-election of the senior independent director due to concerns over independence, given their 12-year board tenure. This tenure goes beyond the UK Corporate Governance recommendations of 9 year tenure, and we therefore felt there was long overdue need for change. This board member subsequently stepped down from the board in the September following the AGM.
Outcomes	Company changed practice

☒ Add Example 4

ESG Topic	<input checked="" type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> Other governance
Conducted by	Individual/Internal
Objectives	Ensure the board is meeting the appropriate interests of its shareholders
Scope and Process	Shipping services provider Clarkson sought to adopt new articles that provided the board the ability to hold virtual only meetings. We voted against this resolution as we feel that virtual participation should be used alongside traditional physical meetings. We do not think that this replacement of meetings is in the interest of the shareholders of the company. In some circumstances we understand virtual participation may be necessary, and are not against this taking place, but where possible we feel traditional physical meeting practice is still best for the interest of shareholders.
Outcomes	Increased understanding / information

☒ Add Example 5

ESG Topic	<input checked="" type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> Other governance
Conducted by	Individual/Internal
Objectives	Concerns over strategy, leadership and independence issues
Scope and Process	M&G abstained the re-election of all the existing board directors at jewellery company Pandora (voting against is not an option in Denmark). This was due to serious concerns over the independent oversight of the board, given the poor operational delivery by the executives. Through this voting decision we were able to flag to the company that we felt major change was needed to the leadership and strategy going forward.
Outcomes	Ongoing

☒ Add Example 6

ESG Topic	<input checked="" type="checkbox"/> Climate Change <input checked="" type="checkbox"/> General ESG
Conducted by	Individual/Internal
Objectives	Encourage BP to set out business strategy consistent with the goals of the Paris Agreement on climate change
Scope and Process	An environmental resolution, under the auspices of Climate Action 100+ and promoted by M&G as co-filers, was recommended by the board of BP at their AGM. This resolution required the board to report to shareholders its strategy for meeting the goals of the Paris agreement in terms of its capital expenditures and progress against relevant metrics and targets. The resolution was passed with 99% shareholder support.
Outcomes	Company committed to change

☒ Add Example 7

ESG Topic	<input checked="" type="checkbox"/> Human rights <input checked="" type="checkbox"/> Labour practices and supply chain management
Conducted by	Individual/Internal
Objectives	Increased employee consultation and equality across the workforce

Scope and Process	We supported shareholder resolutions at Microsoft's AGM. The first requested the company to 'report to shareholders describing opportunities for the company to encourage the inclusion of non-management employee representation on the board'; while the second concerned gender pay gap. We supported both resolutions as we considered employee consultation to be insufficient and more disclosure should be available on pay. Subsequently there have been further complaints over pay gap, with many employees pushing for further disclosure.
Outcomes	Ongoing

- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

LEA Checks			Checks
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☒ If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

FI 01	Mandatory	Gateway	PRI 1
FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.		
SSA	0	Screening alone	0
	0	Thematic alone	100
	100	Integration alone	0
	0	Screening + integration strategies	0
	0	Thematic + integration strategies	0
	0	Screening + thematic strategies	0
	0	All three strategies combined	0
	0	No incorporation strategies applied	0
	0		
Corporate (financial)	0	Screening alone	0
	0	Thematic alone	100
	100	Integration alone	0
	0	Screening + integration strategies	0
	0	Thematic + integration strategies	0
	0	Screening + thematic strategies	0
	0	All three strategies combined	0
	0	No incorporation strategies applied	0
	0		
Corporate (non- financial)	0	Screening alone	0
	0	Thematic alone	89,99
	89,99	Integration alone	10
	10	Screening + integration strategies	0
	0	Thematic + integration strategies	0
	0	Screening + thematic strategies	0,01
	0,01	All three strategies combined	0
	0	No incorporation strategies applied	

Securitised	0	Screening alone
	0	Thematic alone
	99.99	Integration alone
	0	Screening + integration strategies
	0	Thematic + integration strategies
	0	Screening + thematic strategies
	0.01	All three strategies combined
	0	No incorporation strategies applied

FI 01.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

An integrated ESG strategy fits well with M&G's investment approach and the types of assets that we manage. M&G is a long-term investor across both public and private markets and has significant holdings in private and illiquid debt. Hence it is essential that all long-term risks, including ESG risks (which often evolve over the long-term), are considered when making investment decisions. We believe that, given our long-term investment philosophy, an integrated approach, where ESG issues are considered in conjunction with all other material factors, is most appropriate.

M&G also applies ESG screening for certain portfolios. Our most frequently applied screen is outlined in the M&G cluster munitions and anti-personnel landmines exclusion policy, and involves screening portfolios to avoid investment in companies involved in the manufacture of these munitions.

For specific segregated client mandates we screen-out companies involved in certain industries (e.g. weapons manufacturers, tobacco etc.) at the request of the client.

M&G manages certain ESG strategies that include screening on ESG scores, UN Global Compact, and revenue-based negative screens on certain business activities. We also manage a fixed income impact strategy that involves a combination of thematic, screening and integration approaches.

FI 01.3 Additional information [Optional].

M&G makes significant thematic investments across a range of areas including social housing, renewable energy, healthcare, education, green real estate, SME lending etc. However, these assets are generally incorporated into our mainstream funds that are managed according to an integrated strategy, rather than held in thematic ESG funds.

That being said, we also manage a fixed income impact strategy that invests in assets with a clear and measurable positive environmental or social impact, where the ESG approach is thematic (in combination with integration and screening). However, this strategy currently represents a very small proportion of total assets under management.

FI 02	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 1
Private			

FI 03	Mandatory	Additional Assessed	PRI 1
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FI 03.1 Indicate how you ensure that your ESG research process is robust:

- ☐ Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- ☒ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- ☐ Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- ☒ A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- ☒ Other, specify

specify description
Appropriate incorporation of ESG is an appraisal objective for analysts and portfolio managers. ESG research quality is therefore reviewed as part of the appraisal process.

- ☐ None of the above

FI 03.2 Describe how your ESG information or analysis is shared among your investment team.

- ☒ ESG information is held within a centralised database and is accessible to all investment staff
- ☒ ESG information is displayed on front office research platforms
- ☒ ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- ☒ Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- ☐ Records capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

FI 03.3	Additional information. [Optional]
<p>Regarding FI 3.2</p> <p>The following two points apply to most of our private debt teams, however, they are not generally applicable to our public debt process:</p> <ul style="list-style-type: none"> ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents. Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings. <p>For most of our private debt teams, ESG is a standard section on credit papers that are discussed in investment committee meetings.</p> <p>For public debt our credit analysts post ESG commentary on the internal credit intranet which is accessible to all fixed income investment staff including the front office, however, ESG information is only posted for issuers where it is deemed financially material. Investment committee meetings are not a standard part of our public debt process. Over 2019 we have trialled an ESG dashboard to bring together our research. We are building this out currently.</p>	

FI 04	Mandatory	Gateway	PRI 1
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FI 04.1	Indicate the type of screening you conduct.
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	Corporate (non-financial)	Securitised
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Positive/best-in-class screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Norms-based screening	<input checked="" type="checkbox"/>	<input type="checkbox"/>

FI 04.2	Describe your approach to screening for internally managed active fixed income
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Our most frequently applied screen is outlined in the M&G cluster munitions and anti-personnel landmines exclusion policy, and involves screening portfolios to avoid investment in companies involved in the manufacture of these munitions. This exclusion list is monitored and reviewed by an external advisor, to ensure that it remains up to date and appropriate.

For specific segregated client mandates we screen-out companies involved in certain industries (e.g. coal, tobacco.) at the request of the client. Usually, a list of companies to exclude is contained in the legal documents for the mandate, and the names on the list may be updated from time-to-time on the instructions of the client.

M&G manages some ESG strategies that involve negative screens on revenue from certain industries, norms-based exclusions linked to UN Global Compact principles, and an industry-adjusted ESG scoring methodology which results in exclusion of ESG industry laggards.

We also manage a fixed income impact strategy that involves negative screens based on involvement in certain industries and serious ESG controversies. The strategy also involves a positive screen for investments with clear and measurable positive environmental or social benefits, and in some circumstances, is based on high ESG scores.

FI 05	Voluntary	Additional Assessed	PRI 1
Private			

FI 06	Mandatory	Core Assessed	PRI 1
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FI 06.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
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Type of screening	Checks
Negative/exclusionary screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
Positive/best-in-class screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div> <input type="checkbox"/> other description Investments that meet the positive screening criteria of our impact strategy are independently peer reviewed </div> <input type="checkbox"/> None of the above

Norms-based screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above		
FI 06.2	Additional information. [Optional]		
<p>Our cluster munitions and anti-personnel landmines exclusion list is continuously monitored by an external advisory firm, who recommends updates to the exclusion list as and when necessary.</p> <p>Exclusion lists applied to certain segregated mandates are updated as necessary, usually at the request of the client.</p> <p>Data to calculate negative screens on our impact strategy, and both negative and norms-based screens on our ESG strategies, are supplied by external sustainability advisors and updated regularly.</p>			
FI 07	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
<i>Private</i>			
FI 08	Mandatory	Core Assessed	PRI 1
FI 08.1	Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles, Social Bond Principles, or Sustainability Bond Guidelines..		
<p><input type="checkbox"/> We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects</p> <p><input type="checkbox"/> We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated</p> <p><input type="checkbox"/> We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated</p> <p><input checked="" type="checkbox"/> We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects</p> <p><input checked="" type="checkbox"/> Other, specify</p> <p style="padding-left: 40px;">Engage with borrower both prior to and after investment to ensure sufficient disclosure and transparency. Conduct detailed impact analysis prior to investment.</p> <p><input type="checkbox"/> None of the above</p>			
FI 08.2	Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.		
<p>Our thematic impact strategies are focused in private debt and project finance, rather than public green and social bonds, and as such all investment proceeds are normally allocated at the time of initial funding, so we rarely face the issue of bond proceeds being inappropriately disbursed.</p> <p>If this situation were to arise, the first step would be to engage with the borrower to understand the issue and how we can work together to get the investment back on track. Since we are focused in private debt, we normally have a strong relationship with, and good access to, the borrower in order to engage. If engagement is unsuccessful then we may look to divest. However, since private debt is illiquid this may not always be possible.</p>			
FI 08.3	Additional information. [Optional]		
<p>Our thematic impact strategies are focused in private debt, so our approach doesn't necessarily follow the approach adopted by public markets through the green bond and social bond principles.</p> <p>Many of the investments we make are in private pure-play environmental or social companies or projects, for example providing finance to build new social housing, university facilities or solar parks. In light of this, while use of proceeds forms part of our analysis, we do not insist on systematic reporting of use of proceeds. Private debt borrowers are often small companies that find meeting the requirements of the green and social bond principles onerous, so we work with borrowers to produce useful impact metrics that they can easily provide. Using the previous examples, this may include the number of social homes built, number of students using facilities and amount of renewable energy produced by a solar park.</p>			
FI 09	Mandatory	Additional Assessed	PRI 1
FI 09.1	Indicate how you assess the environmental or social impact of your thematic investments.		
<p><input type="checkbox"/> We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments</p> <p><input type="checkbox"/> We ensure independent audits are conducted on the environmental or social impact of our investments</p> <p><input checked="" type="checkbox"/> We have a proprietary system to measure environmental and social impact</p> <p><input checked="" type="checkbox"/> We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights</p> <p><input checked="" type="checkbox"/> Other, specify</p> <p style="padding-left: 40px;">Issuers are normally requested to report at least once per year on specific environmental or social impacts, but this is not always required.</p> <p><input type="checkbox"/> None of the above</p>			
FI 09.2	Additional information. [Optional]		
<p>We report impact metrics annually on all themed investments. Normally the data used to calculate the impact metrics is provided by the borrower, but in some cases we rely on other publicly available information in order to estimate impact metrics.</p>			
FI 10	Mandatory	Descriptive	PRI 1

FI 10.1	Describe your approach to integrating ESG into traditional financial analysis.
	<p>M&G has a large number of credit analysts, covering public and private debt, and our investments span a diverse range of fixed income asset classes. M&G applies an integrated approach to ESG across all credit analyst teams. Our analysts integrate ESG issues into their investment views wherever they are likely to have a meaningful impact on risk or return. Investment views are not based on ESG considerations in isolation; rather ESG issues are analysed in conjunction with all other factors that affect risk or return in order to form investment views.</p> <p>Given the limited upside and significant possible downside of fixed income investment, the focus of our ESG analysis is understanding downside risk; in particular understanding the tail risk of significant loss due to ESG concerns. M&G is a long-term investors in public and private markets, with significant holdings in private and illiquid debt that are normally held to maturity. Since ESG issues often develop over the longer-term, and given our long-term investment approach, it is essential that M&G integrates ESG issues into our investment analysis.</p> <p>ESG issues are generally integrated into our analysis at the individual issuer level, although sector and country themes may sometimes be applied across a number of issuers. (e.g. poor financial regulation in a country may affect its entire banking system, deforestation). We now use the Sustainable Accounting Standards Board (SASB) framework to structure our research and engagement, allowing us to better integrate ESG analysis into the investment process for our corporate and sovereign issuers at all stages</p> <p>M&G believes that integrating ESG into investment analysis can best be achieved by our credit analyst teams with support from our centralised responsible investment team, as successful ESG integration requires a full understanding of the interaction of all factors that can influence the risk or return of an investment.</p> <p>Engagement with issuers is usually undertaken by our credit analyst teams, since they have a clear understanding of the ESG issues and other factors affecting the credit quality of an issuer. Any outcomes from this engagement are then fed back into the integrated ESG analysis of the issuers credit quality. Where appropriate, our centralised responsible investment team will co-ordinate engagements across asset classes.</p> <p>M&G's credit analysts post their views on ESG issues, along with their views on other aspects of an issuer's credit profile, on the internal credit intranet. The credit intranet contains an ESG flag that enables our credit analysts to indicate where commentary posted on the intranet contains ESG information or analysis. Our analysts also enter ESG hashtags based on the SASB materiality map in the body of any text on the intranet that relates to particular ESG issues. (e.g. #WaterManagement) It is then possible to search or filter information on the credit intranet according to the ESG flag or ESG hashtags to view all ESG commentary that relates to a particular issuer, sector/industry or ESG issue. Portfolio managers can view ESG commentary, along with other analyst commentary and internal credit ratings on the credit intranet, which is considered when making investment decisions.</p> <p>For private debt transactions, which are generally illiquid and often have a long holding period, our analysts normally write a detailed credit paper outlining risks and return potential. A section on ESG issues is included on all such papers across the majority of our private debt teams, so that any ESG issues are clearly illustrated to credit committees and portfolio managers to aid in making investment decisions.</p> <p>During Q4 2019, M&G commenced a trial implementation of an internal 'ESG scorecard' which builds on proprietary insights and the SASB framework to expose - in a rigorous and standardised way - the impact, direction and mitigation of ESG issues for subject companies. Coverage was built up during Q4 2019, and continues to do so, to deliver a distinctively qualitative assessment of the issues within this nuanced realm.</p> <p>Credit analysts must ensure that ESG issues are integrated into their credit views, and portfolio managers must ensure that these credit views (which integrate ESG considerations) are used when making investment decisions.</p> <p>It is an objective in the appraisal process that, where appropriate, all analysts integrate ESG issues into credit views, in credit write-ups and communication with portfolio managers, and for all portfolio managers to consider ESG issues when making investment decisions.</p> <p>Investment team heads oversee the integration of ESG by credit analysts and/or portfolio managers in their teams.</p>

FI 10.2	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
	SSA
	<p>As for all fixed income investments, M&G integrates ESG issues in SSA investment analysis wherever these issues are likely to have a meaningful impact on risk or return. Our focus is on social and governance issues, as we believe the evidence for environmental issues having a meaningful impact on risk or return for SSA bonds is less compelling. There are some examples of environmental issues having a meaningful impact on investment views (e.g. pollution & air quality in China as a risk to sovereign bonds, or environmental considerations for EIB Green Bonds) so we integrate environmental issues into our investment analysis for SSA in these material situations. Integration of social issues in our analysis of SSA issuers is much more widespread, as we see strong links between social issues and risks for SSA bonds. For example, social unrest can often lead to political and economic instability, which can clearly have an impact on sovereign bond performance. The emphasis on social factors in our investment process is probably higher for SSA fixed income than for other fixed income asset types, because we see social factors as a strong driver of risk and return for SSA bonds. As for all fixed income asset types, governance issues are almost always considered material and are systematically integrated in our analysis for SSA bond investments.</p> <p>M&G's analysts produce a sovereign ranking model that provides a framework to evaluate the credit quality of all sovereign bond markets in our investment universe, incorporating a range of relevant factors including ESG factors where they are considered material. Towards the end of 2019 a structured ESG rating for sovereigns was developed which uses a variety of open data sources such as the Freedom House Index to score sovereigns. This is being trialled for further roll out in 2020.</p>
	Corporate (financial)
	<p>For corporate (financial), M&G largely follows the same integrated approach to ESG outlined in section 10.1, though we are using some thematic cross-issuer reviews to supplement individually integrated credit analysis. There is some difference in emphasis as governance issues are particularly important for corporate (financial) issuers (e.g. AML, risk controls etc.), while environmental issues are usually less material. Often environmental risks come through the underlying holdings and liabilities of financial issuers and we push for increased disclosure in this area.</p> <p>A banking system ranking model based on a range of factors, including ESG factors is also produced to assess sector wide banking system risks for all countries in our investment universe.</p>
	Corporate (non-financial)
	<p>M&G's integration of ESG issues for corporate (non-financial) follows the process outlined in section 10.1 without any need for adaptation.</p>
	Securitised
	<p>For securitised investments, M&G largely follows the same integrated approach to ESG outlined in section 10.1. However, the focus is slightly different for different types of securitised investments.</p> <p>Covered bonds are analysed by our financials team and follow the same process as for Corporate (financial).</p> <p>Project debt and secured infrastructure debt follow a similar process to Corporate (non-financial).</p> <p>For ABS, more emphasis is placed on governance than on environmental or social factors, given that for ABS governance is likely to have the most meaningful impact on risk and return. Social factors may also have a bearing, such as the question of whether borrowers have been adequately informed about the nature and risks of the financial obligation they are entering into. Such considerations figure in M&G's integrated research approach</p>

because they may have a meaningful impact on risk and return expectations. In the context of the regulations covering the financial sector, conduct failings could lead to penalties or other adverse consequences for loan enforceability. Environmental factors may be taken into account for property investments, either on a specific property level (e.g. CMBS) or corporate (e.g. REIT debt), given the increasing impact of environmental regulation faced by landlords.

FI 11	Mandatory	Core Assessed	PRI 1
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FI 11.1	Indicate how ESG information is typically used as part of your investment process.
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	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust the internal credit assessments of issuers.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is integrated into portfolio weighting decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other, specify in Additional Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 11.2	Additional information [OPTIONAL]
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Our major institutional public debt funds now are reviewed for high risk ESG areas.

FI 12	Mandatory	Additional Assessed	PRI 1
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FI 12.1	Indicate the extent to which ESG issues are reviewed in your integration process.
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	Environment	Social	Governance
SSA	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all
Corporate (financial)	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all
Corporate (non-financial)	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all
Securitized	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all

FI 12.2	Please provide more detail on how you review E, S and/or G factors in your integration process.
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SSA

M&G's procedures for considering ESG factors in our integration process are largely the same across all fixed income asset types.

ESG factors are integrated into our analysis wherever they are likely to have a meaningful impact on risk or return. The first step is for our analysts to systematically assess the relevance of ESG factors to risk or return for the issuers that they cover. We use the SASB framework, coupled with our in-

house analysts' views to highlight the key financially material risks for each sector. This is available in a dashboard to all analysts and fund managers. Any factors or issues that are considered material to investment risk or return are then examined as part of our credit analysis process. Towards the end of 2019 we developed a scorecard which allows analysts to systematically rate companies on their exposure to ESG issues and opportunities and gives an overall heatmap rating. We are expanding coverage of this tool, and it is available to all analysts and fund managers.

For SSA we find that governance factors are almost always relevant to risk or return, social factors are frequently relevant, but environmental factors are less material. Since our process is to consider ESG factors only where material, our analysts focus on understanding governance and social factors for SSA, with environmental factors only sometimes integrated into investment views, when considered material. Towards the end of 2019 we developed a systematic dashboard which gives an overall ESG score to sovereigns. We are looking to roll this out in 2020.

In addition, M&G's analysts produce a sovereign ranking model that provides a framework to help evaluate the credit quality of all government bond markets in our investment universe, incorporating a range of relevant factors, including ESG factors, where they are considered material.

Corporate (financial)

As discussed above, ESG factors are integrated into our analysis wherever they are likely to have a meaningful impact on risk or return. The first step is for our analysts to systematically assess the relevance of ESG factors to risk or return for the issuers that they cover. Any factors or issues that are considered material to investment risk or return are then examined as part of our credit analysis process.

For corporate (financial) we find that governance factors are almost always relevant to risk or return, social factors are frequently relevant, but environmental factors are only seldom material. Since our process is to consider ESG factors only where material, our analysts focus on understanding governance and social factors for corporate (financial), with environmental factors only sometimes integrated into investment views, when considered material. Governance factors tend to be more material drivers of risk and return for corporate (financials) than for other fixed income asset types, so analysis of governance factors forms a significant component of our investment analysis for corporate (financial).

A banking system ranking model based on a range of factors, including ESG factors, is also produced. The results of this model provide insights into the relative risks of different banking markets, which are factored into the analysis of corporate (financial) issuers in these markets.

Corporate (non-financial)

As discussed above, ESG factors are integrated into our analysis wherever they are likely to have a meaningful impact on risk or return. The first step is for our analysts to systematically assess the relevance of ESG factors to risk or return for the issuers that they cover. Any factors or issues that are considered material to investment risk or return are then examined as part of our credit analysis process.

For corporate (non-financial) we find that governance factors are almost always relevant to risk or return while social and environmental factors are frequently but not always material. Since our process is to consider ESG factors only where material, our analysts have a strong focus on governance factors for corporate (non-financial), with environmental and social factors frequently integrated into investment views depending on materiality to risk or return. While environmental factors do not always play a part in investment risk or return for corporate (non-financial), we find environmental factors to be more frequently material to risk or return for corporate (non-financial) than for other fixed income asset types. To give some examples: environmental factors have been drivers for metals and mining as China is seeking to reduce pollution, which in turn is affecting the supply side dynamics for various commodities; emissions within the automotive sector, which is altering development spend and model line ups; and the implications of the 'war on plastic' within the packaging sector.

Securitised

As discussed above, ESG factors are integrated into our analysis wherever they are likely to have a meaningful impact on risk or return. The first step is for our analysts to systematically assess the relevance of ESG factors to risk or return for the issuers that they cover. Our approach is slightly different for different types of securitised investments.

Covered bonds follow the same process as for corporate (financial), while project debt and secured infrastructure debt follow the same process as for corporate (non-financial).

For ABS, more emphasis is placed on governance than on environmental or social factors, given that for ABS governance is likely to have the most meaningful impact on risk and return. While environmental and social factors are considered by our ABS analysts, we often find that such factors are immaterial to risk or return for ABS investments, so our analysis of environmental and social factors may only be cursory for many ABS issuers. We nonetheless consider the application of this process to all three pillars of the ESG framework as systematic given that such factors are considered in situations where they are likely to have a meaningful impact on our evaluation of an investment.

That being said, social factors may sometimes have a bearing for ABS, such as the question of whether borrowers have been adequately informed about the nature and risks of the financial obligation they are entering into. Such considerations figure in M&G's integrated research approach because they may have a meaningful impact on risk and return expectations. In the context of the regulations covering the financial sector, conduct failings could lead to penalties or other adverse consequences for loan enforceability. Environmental factors may be taken into account for property investments, either on a specific property level (e.g. CMBS) or corporate (e.g. REIT debt), given the increasing impact of environmental regulation faced by landlords.

FI 14	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
Private			
FI 15	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1,2
Private			
FI 16	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1,2
Private			
FI 17	Mandatory to Report, Voluntary to Disclose	Additional Assessed	General
Private			
FI 18	Voluntary	Descriptive	PRI 1,2
Private			

PR 01	Mandatory	Core Assessed	PRI 1-6
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PR 01.1
Indicate if your organisation has a Responsible Property Investment (RPI) policy.

☒ Yes

PR 01.2
Provide a URL or attach the document

☒ URL
<https://www.mandg.co.uk/-/media/Literature/UK/Institutional/RPI-Policy-Statement.pdf>
☐ Attach Document

☐ No

PR 01.3
Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy. [Optional]

Our approach to Responsible Property Investment (RPI) enables us to continue to deliver strong returns to our investors in the long term and support creation of positive environmental and social outcomes. Our approach to RPI also enables us to safeguard and future-proof our assets, ensuring they have enduring appeal as workplaces, homes and leisure destinations, benefiting communities and economies around the world.

Our RPI policy covers all M&G Real Estate's assets under management, regardless of property type or location. RPI is well integrated within our day-to-day investment practices. It enables us to adapt and respond to the challenges and opportunities posed by various issues, such as rising energy and resource costs, greater legislative demands and stronger tenant and investor requirements.

We focus on performance in four key areas:

- Environmental Excellence
- Health, Wellbeing and Occupier Experience
- Socio-economic benefit
- Smart, Secure and Connected

In each of these four impact areas we have a series of targets and objectives which run until 2025, to help us drive progress against our strategy.

PR 02.1
Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

☒ Yes

PR 02.2
Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

☒ Policy and commitment to responsible investment
☒ Approach to ESG issues in pre-investment processes
☒ Approach to ESG issues in post-investment processes

PR 02.3
Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]

M&G Real Estate has always promoted its RPI credentials to potential investors through marketing collateral. Our marketing material cover our general RPI strategy and approach, fund specific approach and achievements, and is supplemented by the information contained in our annual Responsible Property Investment Report. Detailed information, such as our approach to pre and post-investment processes is often provided to potential investors in response to their due diligence processes (e.g. as part of our response to the sustainability questions in the INREV due diligence questionnaire).

Fund Prospectuses include an explicit reference to our RPI strategy.

☐ No
☐ Not applicable as our organisation does not fundraise

PR 04.1
Indicate if your organisation typically incorporates ESG issues when selecting property investments.

☒ Yes

PR 04.2
Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.

As a standard part of our pre-acquisition due diligence process, we commission building survey reports and environmental risk assessments. Specific issues captured vary from country to country, but typically they would include:

- energy performance ratings (e.g. EPCs in the EU, NABERS in Australia)
- building sustainability ratings (e.g. certifications such as BREEAM, LEED)
- contamination
- asbestos
- flood risk
- invasive species

- on site renewable energy systems

Additionally, we screen occupiers to ensure that they aren't high risk for financial crime or activities that pose a reputational risk. We also screen tenants against our cluster munitions and anti-personnel mine exclusion policy.

All information is provided to the Investment Managers to inform their decision as to whether an investment should be made and what price should be paid. The issues above are also explicitly included in our due diligence checklist which goes to our Fund Managers to highlight any material issues and how these are being dealt with prior to their approval.

Environmental Risk Assessment details are logged into a database, enabling us to see at a glance the level of an asset's risk, or a portfolio's risk.

PR 04.3	Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process, and list up to three examples per issue.
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☒ Environmental

Contamination

	Environmental example 1, description
	The existence of contamination risk will be assessed by an environmental specialist in the Environmental Phase 1 Review which forms part of the due diligence process.

Energy efficiency

	Environmental example 2, description
	The building survey will assess the condition of plant and equipment. In countries (e.g. UK, Netherlands) where mandatory energy efficiency standards are in place we will seek to understand the risk and associated cost for improvements if required.

Energy supply, Flooding, GHG emissions

	Environmental example 3, description
	The flood risk will be assessed by an environmental specialist in the Environmental Phase 1 Review which forms part of the due diligence process.

☒ Social

Building safety and materials

	Social example 1, description [OPTIONAL]
	A building survey report will incorporate review of health and safety risk, fire protection systems, fire safety and escape routes.

Health, Safety and wellbeing

	Social example 2, description [OPTIONAL]
	Building survey report includes details of any deleterious materials.

Accessibility

	Social example 3, description [OPTIONAL]
	Review of compliance with regulations relating to accessibility for disabled persons.

☒ Governance

Anti-bribery & corruption

	Governance example 1, description
	Anti-money laundering checks are conducted on vendors by M&G's Financial Crime Prevention Unit.

Regulatory

	Governance example 2, description
	Building surveys review compliance with all relevant and pending legislation.

Other

	Governance example 3, description
	Occupiers are screened for any potential breach of our Cluster Munitions and Anti-Personnel Mine policy using Compliance Link.

☐ No

PR 05	Voluntary	Additional Assessed	PRI 1,3
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Private

PR 06	Mandatory	Core Assessed	PRI 1
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PR 06.1	Indicate if ESG issues impacted your property investment selection process during the reporting year.
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- ☒ ESG issues helped identify risks and/or opportunities for value creation
- ☒ ESG issues led to the abandonment of potential investments
- ☒ ESG issues impacted the investment in terms of price offered and/or paid
- ☐ ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ☒ ESG issues were considered but did not have an impact on the investment selection process
- ☐ Other, specify
- ☐ Not applicable, our organisation did not select any investments in the reporting year
- ☐ We do not track this potential impact

PR 06.2	Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.
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- ☒ ESG issues impacted the investment in terms of price offered and/or paid
- ☐ ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ☒ ESG issues were considered but did not have an impact on the deal structuring process
- ☒ Other, specify

ESG factors included in contracts on development projects as a requirement that developer must achieve

- ☐ Not applicable, our organisation did not select any investments in the reporting year
- ☐ We do not track this potential impact

PR 06.3 Additional information.

ESG issues are included in our Acquisitions Due Diligence process and are therefore considered as part of our property investment selection processes. They may affect the process in a number of ways, including for example:

- Identification of an Energy Performance Certificates which will fall foul of local minimum energy efficiency standards
- Identification of flood risk or other natural hazards
- Identification of a tenant on our Cluster Munitions exclusion list

Or alternatively no ESG issues may be highlighted, which is the case in the majority of instances.

There have been some instances during the course of the year where we have abandoned prospective acquisitions on the basis that the environmental risk was considered to be too great, and the vendor would not price the risk into the purchase price.

EPC risk is flagged in the UK due diligence process, and where assets with a poor performance are purchased, we have access to modelling software which enables us to understand the improvements needed and their costs, so that these can be factored that into the purchase price.

PR 07 Mandatory Core Assessed PRI 4

PR 07.1 Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

☒ Yes

PR 07.2 Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.

- ☒ Selection process of property managers incorporated ESG issues

Types of actions

- ☒ Request explanation of how ESG is effectively integrated, including inquiries about governance and processes
- ☒ Request track records and examples of how the manager implements ESG in their asset and property management
- ☒ Discuss property level out-performance opportunities through greater integration of ESG criteria
- ☒ Request explanation of engaging stakeholders on ESG issues
- ☐ Other, explain

Coverage

- ☒ >75% to 100%
- ☐ >50% to 75%
- ☐ <50%

- ☒ Contractual requirements when appointing property managers includes ESG issues

Types of actions

- ☒ Include clear and detailed expectations for incorporating ESG
- ☒ Require dedicated ESG procedures in all relevant asset and property management phases
- ☒ Clear ESG reporting requirements
- ☒ Clear ESG performance targets
- ☐ Other, explain

Coverage

- ☒ >75% to 100%
- ☐ >50% to 75%
- ☐ <50%

- ☒ Monitoring of property managers covers ESG responsibilities and implementation

Types of actions

- ☒ Performance against quantitative and material environmental / resource targets over specified timeframe.
- ☒ Performance against quantitative and material environmental / resource targets against relevant benchmarks
- ☒ Performance against quantitative and qualitative targets to address social impacts of the portfolio/investment,
- ☐ Other, explain

	Coverage
<input checked="" type="radio"/> >75% to 100%	
<input type="radio"/> >50% to 75%	
<input type="radio"/> <50%	
<input type="radio"/> No	

PR 07.3	Provide a brief description of your organisations selection, appointment and monitoring of third party property managers and how they contribute to the management of ESG issues for your property investments.
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UK Portfolios: All property managers have sustainability issues incorporated into their contracts requirements including Service Level Agreements, Key Performance Indicators and targets relating to sustainability issues. These are monitored closely by M&G through quarterly update meetings at which performance is reviewed and assessed. The assessment of their Service Level Agreements feeds overall contract performance review. Key Performance Indicators, Service Level Agreements and targets are revised as necessary and all are reviewed at least annually to ensure they remain fit for purpose.

Overseas Portfolios: M&G Real Estate includes ESG issues in service level agreements and key performance indicators.. Our requirements on responsible property investment are standardised across all regions where possible, but may be adapted to suit local requirements and resource capability where necessary to achieve positive ESG change. We also employ the support of sustainability consultants to support us in the monitoring of property manager ESG performance in these regions.

All property managers globally are required to provide us with both qualitative and quantitative data with respect to all aspects of ESG management for the asset they are appointed to manage. We collect environmental and social performance data on all assets worldwide, utilising Verco Advisory Service's Carbon Desktop platform to manage our environmental performance reporting. In 2020 we will transition this system to a specialist software provider, Enviz, while retaining the technical support of Verco as sustainability consultants.

Our data management programme enables investor ESG reporting, voluntary disclosure to the GRESB Real Estate Assessment and allows us to monitor the ESG performance of our portfolios to inform the deployment of improvement initiatives.

PR 08	Mandatory	Gateway	PRI 2
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PR 08.1	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.
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☒ Yes

PR 08.2	Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.
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☒ We consider ESG issues in property monitoring and management

☒ We consider ESG issues in property developments and major renovations.

☒ We consider ESG issues in property occupier engagements

☒ We consider ESG issues in community engagements related to our properties

☐ We consider ESG issues in other post-investment activities, specify

PR 08.3	Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.
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We set ESG targets across our global managed portfolio - all geographies and all asset classes. Our environmental targets run to 2025 and we are targeting:

- a reduction of 25% in indexed energy intensity and GHG emissions, compared to a 2012/13 baseline,
- a reduction of 10% in indexed water use, compared to the same baseline, and
- 95% diversion of waste to landfill.

We engage with our third party property managers (PMs) on a quarterly basis to review progress towards ESG objectives, to identify barriers, solutions and to recognise areas of good practice.

Globally our PMs are required to provide environmental performance data for managed assets on an ongoing basis. This information is collected in our central data management & reporting system and enables us and our PMs to understand the areas of significant environmental impact within individual portfolios. In 2020 we are moving our data platform to a new software platform, this will ensure that our PMs (and internal teams) are able to closely monitor and benchmark the ESG performance of assets under management.

In 2018 we launched the requirement for Sustainability Asset Plans (SAPs) across our global portfolio for those assets which we consider to have the greatest impact on our ESG performance. SAPs are produced by our PMs and are tailored to align with fund strategy and local requirements, identifying both short term and long term opportunities for ESG improvements. The SAPs are integrated into our standard asset management plan process and are subject to quarterly review. SAPs will become an integrated component of our ESG data management platform in 2020.

In the UK (65.2% AUM) we continue to focus on the rollout of automatic meter reading across all significant properties to ensure that we have a full and accurate understanding of environmental impact and performance. At our most energy intensive assets we have also installed enhanced monitoring systems which generate live data analysis and are remotely monitored by technical analysts to enable the early detection of operational inefficiencies.

In 2019 we appointed a new hard services Facilities Manager (FM) for the majority of the UK portfolio. The FM works on behalf of our primary UK PM to maintain the physical, mechanical and electrical condition of our UK assets. The FM contract provides a dedicated energy manager resource, programme for energy awareness training for site engineers as well as the deployment of innovative monitoring and targeting technology on specific assets.

Key operational efficiency measures have included the installation of low cost-no-cost measures as well as those which can achieve payback within reasonable periods. LED lighting technology and building service control optimisation systems are key tools which are continually considered as part of our standard asset management process and are increasingly installed across our UK portfolio. We have also been exploring opportunities to install renewable energy systems on assets where mutual agreement can be reached with occupiers.

Environmental management systems (EMS) are operated by our PMs at all significant assets to ensure that environmental risks & opportunities are maintained in accordance with industry best practice. In 2019 all our UK shopping centres were certified to PAS99 and our larger assets in our commercial portfolio certified to ISO14001:2015 by our property manager. These systems ensure our largest environmental footprint achieve best practice in identify and managing environmental risk & opportunities. Additionally, M&G's maintains its own ISO14001:2015 certified EMS

covering real estate fund management, including property acquisition, disposal, development, refurbishment and management activities.

Outside the UK, we have adapted our approach to suit the differing levels of maturity in the approach to responsible investment.

In North America, our PMs operate according to their GreenGuide - a best practice guidebook, which aims to reduce assets' energy, water, waste and overall carbon footprint. All assets submit data to the Greenprint survey to benchmark performance. In 2019 all of our managed North American offices achieved LEED O&M Gold certification.

In Continental Europe, we certify the performance of assets using a combination of BREEAM New Construction, In Use, HQE and LEED schemes. 40% of assets under management in the region were certified by the end of 2019 and a further 28% is planned for completion in 2020. These assessments processes are also used to identify and drive engagement on improvement opportunities.

In our Asian portfolio, 58% of assets under management achieved certification under NABERS, BCA Green Mark, CASBEE, LEED or GBC Australia Green Star ratings, with scheme selection being based on which was most appropriate to local market conventions.

Development & Refurbishment

We seek to ensure minimum standards are achieved, depending on the asset class, eg BREEAM Excellent at new developments. Our UK Sustainable Development and Refurbishment Framework provides guiding principles and targets, remaining sufficiently flexible to meet the needs of the many types of project delivered for our clients. It assists us in the delivery of higher quality assets, which are economic to design and construct, efficient to operate, have low rates of depreciation and obsolescence and high levels of occupier satisfaction, which generate greater returns to our funds.

Where we are funding developments undertaken by other parties, we seek to apply the principles of our Framework, but we recognise that our influence may be limited by the stage at which we become involved.

Smaller-scale refurbishments are undertaken by our PMs. M&GRE imposes minimum ESG requirements as refurbishments represent an important opportunity to improve a building's environmental performance.

Occupier engagement

M&GRE is committed to creating a strong relationship with all our occupiers, and we seek to identify and understand occupier needs through a number of engagement programmes such as our Key Occupier programme: structured, regular meetings which focus on promoting proactive dialogue with retail occupiers. We engage with occupiers in a wide variety of ways, including tenant satisfaction surveys that encompass retail, commercial and residential customers.

Community engagement

At our shopping centres, we support neighbouring communities through a huge range of activities, such as charity fundraising, raising awareness of environmental issues, providing space to community groups.

☐ No

PR 09	Mandatory	Core Assessed	PRI 2,3
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PR 09.1	Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.
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- ☒ >90% of property assets
- ☐ 51-90% of property assets
- ☐ 10-50% of property assets
- ☐ <10% of property assets

PR 09.2	Indicate which ESG targets your organisation and/or property managers typically set and monitor
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☒ Environmental

Target/KPI	Progress Achieved
<p>By 2025: 25% reduction in energy intensity based on an indexed trend for all landlord procured energy based on a 2012/13 baseline</p> <p>Divert 95% of waste from landfill by 2025 at assets where we have control over waste</p> <p>Increase in absolute quantity of on-site generated renewable energy</p>	<p>In our most recent reporting period 2018/19, we recorded a 26% reduction in energy intensity for landlord procured energy.</p> <p>In 2018/19, 99% of UK waste, for which we were responsible for disposal, was diverted from landfill. Globally we achieved a 73% diversion from landfill.</p> <p>In 2018/19, on-site generation from renewable energy systems reached 2,006MWh, a 30% increase on that recorded in the previous year.</p>

☒ Social

Target/KPI	Progress Achieved
<p>10 million people reached with our health, wellbeing and inclusivity programmes by 2025</p> <p>100 places globally have benefitted from community programmes</p> <p>Ensure an exceptional standard of safety and security in all the working environments we control</p>	<p>Initial data suggests we have reached almost 1.1m people globally, through engagement programmes focused on promoting good mental health and accessibility at our assets.</p> <p>We have active community engagement programmes operating in 44 places globally.</p> <p>Major Incident Management procedures refined. Regular practice of emergency drills and new test scenarios introduced. Global Minimum Requirements now mandated on all construction activities.</p>

☒ Governance

Target/KPI	Progress Achieved
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Monitor all new tenants against our cluster munitions exclusion policy Continue to submit data to GRESB survey annually to benchmark the sustainability performance of our funds and communicate the outcomes to our investors		In 2018/19 we did no lettings to companies involved in cluster munitions and anti-personnel mines. Ten of our funds participated in the 2019 Real Estate Assessment all ten achieved Green Star status
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☐ We do not set and/or monitor against targets

PR 09.3	Additional information. [Optional]		
Our approach to ESG issues in property management is addressed in our 2018 Responsible Property investment report, which is available to download here: http://www.mandg.co.uk/-/media/Literature/UK/Institutional/RPI-Brochure2018-19.pdf In addition to this report, we also disclose on ESG performance at fund level in our investor reports and through our participation in the GRESB Real Estate Assessment.			

PR 10	Voluntary	Descriptive	PRI 2
Private			

PR 11	Mandatory	Core Assessed	PRI 2
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PR 11.1	Indicate the proportion of active property developments and major renovations where ESG issues have been considered.		
<input checked="" type="checkbox"/> >90% of active developments and major renovations <input type="checkbox"/> 51-90% of active developments and major renovations <input type="checkbox"/> 10-50% of active developments and major renovations <input type="checkbox"/> <10% of active developments and major renovations <input type="checkbox"/> N/A, no developments and major renovations of property assets are active			

PR 11.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and major renovations.		
<input checked="" type="checkbox"/> Environmental site selection requirements <input checked="" type="checkbox"/> Environmental site development requirements <input checked="" type="checkbox"/> Sustainable construction materials <input checked="" type="checkbox"/> Water efficiency requirements <input checked="" type="checkbox"/> Energy efficiency requirements <input checked="" type="checkbox"/> Energy generation from on-site renewable sources <input checked="" type="checkbox"/> Waste management plans at sites <input checked="" type="checkbox"/> Health and safety management systems at sites <input checked="" type="checkbox"/> Health and wellbeing of residents <input checked="" type="checkbox"/> Construction contractors comply with sustainability guidelines <input type="checkbox"/> Resilient building design and orientation <input type="checkbox"/> Other, specify			

PR 12	Mandatory	Core Assessed	PRI 2
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PR 12.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.		
<input type="checkbox"/> >90% of occupiers <input checked="" type="checkbox"/> 50-90% of occupiers <input type="checkbox"/> 10-50% of occupiers <input type="checkbox"/> <10% of occupiers			

PR 12.2	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.		
<input checked="" type="checkbox"/> Distribute a sustainability guide to occupiers <input checked="" type="checkbox"/> Organise occupier events focused on increasing sustainability awareness <input checked="" type="checkbox"/> Deliver training on energy and water efficiency <input checked="" type="checkbox"/> Deliver training on waste minimisation <input checked="" type="checkbox"/> Provide feedback on energy and water consumption and/or waste generation <input checked="" type="checkbox"/> Provide feedback on waste generation <input checked="" type="checkbox"/> Carry out occupier satisfaction surveys <input checked="" type="checkbox"/> Health and wellbeing of residents <input checked="" type="checkbox"/> Offer green leases <input type="checkbox"/> Other, specify			

PR 12.3	Additional information. [Optional]		
We and our property managers engage with our occupiers through a number of engagement activities. For new occupiers, our first opportunity for			

engagement is undertaken during the lease agreement stage through the use of green lease clauses or a memorandum of understanding. These ensure that our occupiers are aware of our requirements in regards to protecting and improving operational environmental performance of an asset, as well as opening opportunities for closer collaboration on addressing environmental issues (e.g. sharing of performance data).

For existing occupiers we engage through a combination of occupier meetings which are run by our asset or property managers, as well as occupier satisfaction surveys. These programmes include consideration of ESG, typically focused on operational efficiency and health & wellbeing issues.

Occupier meetings and other direct engagement activities are typically focused on our multi-let portfolio where we have the ability to influence the operational control of individual assets. However in the UK and Europe we have increased the level of direct engagement we have with our single let (FRI/Triple Net Lease) in the past year. In the UK specifically we have held discussion with a number of tenants in our long lease funds in order to understand alignment between their own ESG strategies and ours to better understand how we might cooperate on information sharing and the improving asset ESG performance.

In Europe in 2019 we undertook a pilot to engage directly with tenants on their energy consumption within assets in our pan-European portfolios. This has involved discussion around access to usage information, installation of smart metering and the provision of engagement tools including physical screens and an online data portal which aims to educate users. We are looking to extend this programme to additional tenants in 2020.

PR 13	Voluntary	Additional Assessed	PRI 2
PR 13.1	Indicate the proportion of all leases signed during the reporting year that used green leases or the proportion of Memoranda of Understandings (MoUs) with reference to ESG issues.		
	<input type="radio"/> >90% of leases or MoUs <input checked="" type="radio"/> 50-90% of leases or MoUs <input type="radio"/> 10-50% of leases or MoUs <input type="radio"/> <10% of leases or MoUs <input type="radio"/> 0% of leases or MoUs <input type="radio"/> N/A, no leases or MoUs were signed during the reporting year		
PR 14	Voluntary	Additional Assessed	PRI 2
Private			
PR 15	Voluntary	Additional Assessed	PRI 1,2
Private			
PR 16	Voluntary	Descriptive	PRI 1,3
Private			

INF 01	Voluntary	Descriptive	PRI 1-6
Private			
INF 02	Mandatory	Core Assessed	PRI 1-6
INF 02.1	Indicate if your organisation has a responsible investment policy for infrastructure.		
<input checked="" type="radio"/> Yes			
INF 02.2	Provide a URL if your policy is publicly available.		
https://global.mandg.com/~/_media/Files/M/MandG-Plc/documents/responsible-investing/responsible-investment/MG%20approach%20to%20responsible%20investment-03-20.pdf			
<input type="radio"/> No			
INF 02.3	Additional information. [Optional]		
<p>Responsible investing is critical to Infracapital's strategy and Infracapital has a dedicated ESG policy.</p> <p>Infracapital operates an ESG Management System ("ESMS") which sets out our ESG procedures across the business. Our ESG approach is incorporated across the full life cycle of our Funds and is several-fold;</p> <p>Investment Strategy: In addition to delivering an attractive long-term investment to our investors, infrastructure investments are able to make a positive impact on society. Infracapital's investment strategies consider the changing needs of society and pursue opportunities that will deliver social and economic good as well as returns to investors. The strategy also includes negative screening for various factors.</p> <p>Investment Appraisal: We ensure our investment process takes a responsible approach to investing by reviewing potential investments for ESG opportunities and risks. Infracapital has an established Aspects and Impact Register which identifies potential ESG risks, or opportunities, that should be considered when undertaking diligence on an investment. Where appropriate, external advisers will be engaged with regards to material ESG 'aspects' diligence for each investment.</p> <p>Active Asset Management: We seek controlling or significant minority stakes in our investee companies so that we can deliver an active asset management approach. This supports our ability to manage ESG issues and risks effectively and improve ESG standards across our investee companies to ultimately enhance value.</p> <p>Monitoring and Oversight: We ensure strong governance and oversight of our business through regular reporting on relevant KPIs and ESG metrics. Monitoring of ESG KPIs is incorporated into the Infracapital-wide monitoring system, iLevel, which collects all data on portfolio companies. This enables us to gain further clarity on our portfolio companies' ESG KPIs, which are also monitored as part of the investee company regular audit and board reporting. We are also committed to providing an Annual Responsible Investment report to our investors.</p>			
INF 03	Mandatory	Core Assessed	PRI 1,4,6
INF 03.1	Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.		
<input checked="" type="radio"/> Yes			
INF 03.2	Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:		
<input checked="" type="checkbox"/> Policy and commitment to responsible investment <input checked="" type="checkbox"/> Approach to ESG issues in pre-investment processes <input checked="" type="checkbox"/> Approach to ESG issues in post-investment processes			
INF 03.3	Describe how your organisation refers to responsible investment for infrastructure funds in fund placement documents (PPMs or similar). [Optional]		
<p>Infracapital's fund placement documents have a section dedicated to Responsible Investment that outlines our ESG policy and commitment to responsible investment and covers our ESG Management System ("ESMS"), which, as detailed in question 02, indicates our approach to ESG issues both in the pre and post investment stage.</p>			
<input type="radio"/> No <input type="radio"/> Not applicable as our organisation does not fundraise			
INF 04	Voluntary	Additional Assessed	PRI 4
Private			
INF 05	Mandatory	Gateway	PRI 1
INF 05.1	Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.		
<input checked="" type="radio"/> Yes			
INF 05.2	Describe your organisation's approach to incorporating ESG issues in infrastructure investment selection.		
<p>As addressed in our ESG policy, as part of our ESG Management System ("ESMS"), we ensure our investment process takes a responsible approach to investing throughout our investment lifecycle from investment strategy, initial screenings, due diligence and investment decisions through to the holding and exit process. As part of the pre-investment stage, we review all potential investments for ESG opportunities and risks. This is a mandatory step of the pre-investment process.</p> <p>Infracapital has an established Aspects and Impact Register, put together with the expertise of an external ESG-specialist, which identifies potential ESG risks, or opportunities, that must be considered when undertaking diligence on an investment. Within 'environmental' the register addresses environmental risk management, climate change and resilience and energy consumption. Within 'social' the register addresses occupational health & safety, employee wellness and social risk management. Within 'governance' the register addresses management reviews, risk management</p>			

procedures and stakeholder engagement. Rather than imposing materiality thresholds across sectors, these ESG factors are reviewed on a case by case basis as identified at the point of investment. Where appropriate, external advisers will be engaged with regards to material ESG 'aspects' diligence for each investment. Material ESG risks and opportunities are then incorporated into the active asset management of the portfolio companies detailed in our 100-day plan. As part of the investment strategy, negative screening may be used on sectors and countries which we believe do not adhere to our ESG commitments.

At Infracapital, we also utilise an 'internal rating system' to evaluate ESG in the portfolio companies in which we invest. Each of our assets is assigned a rating upon acquisition and then re-rated on a periodic basis thereafter based on the key KPIs we reported in our 2018 ESG report that cover climate impact, stakeholder engagement and assignment of responsibility among others. This enables the team to gain clarity on ESG performance to relevant ESG KPIs and to leverage best practice across our portfolio companies.

In addition to its policies and procedures, which we believe are industry leading, Infracapital, as part of the wider M&G, supports a number of corporate and social responsibility initiatives, reflecting its commitment to sustainable business practices:

- The Walker Guidelines
- UN Principles for Responsible Investment
- Institutional Investors Group on Climate Change
- The Investors Forum
- The Financial Reporting Council
- The UK Sustainable Investment and Finance Association
- M&G Plc has internal reduction targets for GHG emissions

In adherence with these aforementioned principles, Infracapital is committed to upholding principles on responsible investment in its investment screening process.

☐ No

INF 06	Voluntary	Descriptive	PRI 1,4
Private			

INF 07	Mandatory	Core Assessed	PRI 1,3
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INF 07.1	Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.
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☒ Environmental

Biodiversity and ecosystems: land use, ecosystems services and biodiversity impacts
 Energy: Energy consumption, efficiency and pollution, climate change and resilience, GHG emissions, consumption of natural resources
 Water consumption and abstraction: water management systems, water abstractions, water consumption

☒ Social

Health and Safety: accident rates, Health and safety internal/external audits, lost-time
 Labour standards: compliance with relevant local labour laws, fair wages, screening of suppliers for compliance with labour laws
 Workplace diversity and equality: formal training and education offered to employees, employee wellbeing programmes, diversity data (age, gender, grade, employment type)

☒ Governance

Management: risk management, management structure and rights, corporate management
 Policies: anti-corruption, whistle-blowing, internal/external audits
 Disclosure and reporting: external/corporate reporting, communicating material incidents, transparency

INF 07.2	Additional information. [Optional]
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During the investment selection process, a significant number of ESG metrics are considered. These metrics have been put together with the guidance of a third-party ESG specialist to ensure that our due diligence process is both thorough and rigorous and that we are covering a broad range of relevant and material ESG factors.

INF 08	Voluntary	Additional Assessed	PRI 1,3
Private			

INF 09	Voluntary	Additional Assessed	PRI 1
Private			

INF 10	Mandatory	Core Assessed	PRI 4
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INF 10.1	Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.
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☒ Yes

INF 10.2	Indicate your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party operators.
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☒ Selection process of third-party operators incorporates ESG issues

- ☒ For all third-party operators
- ☐ For a majority of third-party operators
- ☐ For a minority of third-party operators

☒ Contractual requirements when appointing third-party operators includes ESG issues

	<input checked="" type="checkbox"/> For all third-party operators <input type="checkbox"/> For a majority of third-party operators <input type="checkbox"/> For a minority of third-party operators <input checked="" type="checkbox"/> Monitoring of third-party operators covers ESG responsibilities and implementation <input checked="" type="checkbox"/> For all third-party operators <input type="checkbox"/> For a majority of third-party operators <input type="checkbox"/> For a minority of third-party operators
INF 10.3	Provide a brief description of your organisation's selection, appointment and monitoring of third-party operators. [Optional] <p>Infracapital's policy is to take controlling or significant minority stakes in our investee companies so that we can deliver an active asset management approach. On a number of assets, Infracapital works in corporate partnerships where the operation and management of infrastructure assets is shared. Nonetheless, Infracapital's active asset management approach ensures that the best sustainability and ethical business guidelines are followed regardless of percentage of ownership.</p>
INF 10.4	Describe how your third-party operators contribute to the management of ESG issues for your infrastructure investments. [Optional] <p>Infracapital's policy is to take controlling or significant minority stakes in our investee companies so that we can deliver an active asset management approach. On a number of assets, Infracapital works in corporate partnerships where the operation and management of infrastructure assets is shared. Nonetheless, Infracapital's active asset management approach ensures that the best sustainability and ethical business guidelines are followed regardless of percentage of ownership.</p>
<input type="radio"/> No	
INF 11	Mandatory
	Gateway
	PRI 2
INF 11.1	Indicate whether your organisation and/or operators consider ESG issues in post-investment activities relating to your infrastructure assets. <input checked="" type="checkbox"/> Yes
INF 11.2	Indicate how your organisation, and/or operators, considers ESG issues in the following post-investment activities relating to your infrastructure assets. <input checked="" type="checkbox"/> We consider ESG issues in the monitoring and operation of infrastructure <input checked="" type="checkbox"/> We consider ESG issues in infrastructure maintenance <input checked="" type="checkbox"/> We consider ESG issues in stakeholder engagements related to our infrastructure <input type="checkbox"/> We consider ESG issues in other post-investment activities, specify
INF 11.3	Describe how your organisation, and/or operators, considers ESG issues in post-investment activities related to your infrastructure investments. [Optional] <p>As detailed in our ESG policy, as part of our ESG Management System ("ESMS"), ESG is fully integrated throughout the investment lifecycle including during the holding period. As a long-term investor providing essential infrastructure services to society with many stakeholders, Infracapital recognises that long-term value can be achieved through sustainable growth and therefore considers responsible investing across all investment activities.</p> <p>As part of Infracapital's active asset management approach, we seek controlling or significant minority stakes in our investee companies so that we can take an active asset management approach. This enables us to manage ESG issues and risks effectively and improve ESG standards across our investee companies to ultimately enhance value. The Firm works with its investee companies to develop and monitor relevant ESG KPIs that are pertinent to each portfolio company. This can include environmental action plans, waste reduction plans, staff development plans and governance structure review. Infracapital's active asset management approach enables the Firm to manage ESG issues tailored to the individual investment effectively and improve ESG standards across its investee companies to ultimately enhance value. Post-acquisition, Infracapital's governance of environmental laws, regulations and best practices is enacted through the close interaction of its asset managers with executive management teams. ESG is included as a standing item on each board agenda to ensure that it is always discussed as part of the regular Board meetings.</p> <p>In addition to managing risks, we seek to ensure all companies have an environmental policy, and specifically are able to evidence initiatives to reduce their climate impact.</p> <p>At a social level, our commitment is to be a good corporate citizen. Within our firm and investee companies the focus is on diversity and inclusion and employee wellbeing, in addition to community engagement.</p> <p>ESG KPIs are monitored on an ongoing basis through the firm-wide reporting system iLevel. The reporting is also shared with the LPs of the fund. We have increasingly been setting tangible ESG targets, such as zero H&S incidents across our portfolio companies. As we have gathered an increasing amount of data related to ESG performance across the portfolio and have been able to analyse the performance of each investment through this lens, we aim to set further measurable ESG objectives for our portfolio investments going forward.</p>
<input type="radio"/> No	
INF 12	Mandatory
	Core Assessed
	PRI 2
INF 12.1	Indicate the proportion of infrastructure assets for which your organisation and/or operators included ESG performance in investment monitoring during the reporting year. <input checked="" type="checkbox"/> >90% of infrastructure assets <input type="checkbox"/> 51-90% of infrastructure assets <input type="checkbox"/> 10-50% of infrastructure assets <input type="checkbox"/> <10% of infrastructure assets

INF 12.2	Indicate ESG issues for which your organisation, and/or operators, typically sets and monitors targets (KPIs or similar) and provide examples per issue.		
<input checked="" type="checkbox"/> Environmental <ul style="list-style-type: none"> Target on CO2 emissions Waste volume targets Energy efficiency targets <input checked="" type="checkbox"/> Social <ul style="list-style-type: none"> Employee engagement targets Lost Time Injury Frequency Rate (LTIFR) reduction targets Diversity targets (age/gender/employment type) <input checked="" type="checkbox"/> Governance <ul style="list-style-type: none"> Disclosure and Reporting Targets i.e. measures of output, incident reporting, transparency to shareholders and stakeholders Management Structure improvements: assignment of responsibility, factors related to annual performance of senior personnel Percentage of compliance with policies/system controls <input type="checkbox"/> We do not set and/or monitor against targets			
INF 12.3	Additional information. [Optional]		
As detailed in previous questions, monitoring and oversight is an integral part of our ESG Management System. The asset management team set relevant ESG KPIs at our portfolio companies, which vary on an asset-by-asset basis, and these are tracked on a quarterly and annual basis. Performance against these KPIs is monitored as part of the investee company regular audit and board reporting. KPIs are altered as and when deemed appropriate for example: for Greenfield assets, ESG-KPIs are likely to change from when the asset is in construction to when it is operating, to reflect the change in lifecycle of the asset.			
INF 13	Mandatory	Additional Assessed	PRI 2
INF 13.1	Indicate whether you track the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).		
<input checked="" type="checkbox"/> Yes			
INF 13.2	Indicate the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).		
<input type="radio"/> >90% of infrastructure investees <input checked="" type="radio"/> 51-90% of infrastructure investees <input type="radio"/> 10-50% of infrastructure investees <input type="radio"/> >0% and <10% of infrastructure investees <input type="radio"/> 0% of infrastructure investees			
INF 13.3	Describe how your organisation, and/or your operators, contribute to the infrastructure investees' management of ESG issues. [Optional]		
<p>Monitoring and oversight of ESG-related data is a key component of our ESG Management System ("ESMS"). As part of this process, we track the percentage of our portfolio companies that have an ESG/Sustainability related policy.</p> <p>As part of Infracapital's active asset management approach, we seek controlling or significant minority stakes in our investee companies so that we can take an active asset management approach. This enables us to manage ESG issues and risks effectively and improve ESG standards across our investee companies to ultimately enhance value. The Firm works with its investee companies to develop and monitor relevant ESG KPIs that are pertinent to each portfolio company. This can include environmental action plans, waste reduction plans, staff development plans and governance structure review. Post-acquisition, Infracapital's governance of environmental laws, regulations and best practices is enacted through the close interaction of its asset managers with executive management teams. ESG is included as a standing item on each board agenda to ensure that it is always discussed as part of the regular Board meetings.</p> <p>In addition to our business as usual asset management engagement on ESG, Infracapital also carry out annual ESG-training workshops for key executives of our investee companies to share best practice and ensure prioritisation of ESG-related matters. The CEO summit held in 2019 addressed governance policies and health & safety. We are currently in the process of organising the 2020 Workshop, which we hope to provide further details in due course. Frequent calls are also organised between the portfolio companies and Infracapital to provide updates and discuss progress on ESG-matters.</p>			
<input type="radio"/> No			
INF 14	Voluntary	Descriptive	PRI 2,3
Private			
INF 15	Mandatory	Core Assessed	PRI 2
INF 15.1	Indicate the proportion of active infrastructure maintenance projects where ESG issues have been considered.		
<input checked="" type="radio"/> >90% of active maintenance projects <input type="radio"/> 51-90% of active maintenance projects <input type="radio"/> 10-50% of active maintenance projects <input type="radio"/> <10% of active maintenance projects <input type="radio"/> N/A, no maintenance projects of infrastructure assets are active			

INF 15.2	Describe your approach to ESG considerations for infrastructure maintenance projects. [Optional]
<p>We believe investing sustainably drives long-term value and that a well-managed business from an ESG-perspective plays an important role in the final performance of a portfolio company as well as the cost of capital and valuation of the business upon exit. A such, we consider ESG factors an integral part of our asset management approach for all our infrastructure assets. Please refer to question 11 for further details on how we integrate ESG considerations into the holding period of our assets.</p>	

INF 16	Voluntary	Additional Assessed	PRI 2
Private			
INF 17	Voluntary	Additional Assessed	PRI 1,2
Private			
INF 18	Voluntary	Descriptive	PRI 1-3
Private			
INF 19	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 6
Private			

CM1 01	Mandatory	Additional Assessed	General
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CM1 01.1
Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

☐ Third party assurance over selected responses from this year's PRI Transparency Report
☐ Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
☐ Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
☐ Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
☒ Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)

☒ Whole PRI Transparency Report has been internally verified
☐ Selected data has been internally verified

☒ Other, specify

Internal Audit is performing an audit review, further details are given below

☐ None of the above

CM1 01.2
Additional information [OPTIONAL]

The submission has been reviewed and signed off by the individual heads of each team with final oversight from the Head of Corporate Finance & Stewardship. Internal Audit is reviewing controls on ESG fund oversight framework and governance of the preparation, review and sign-off of the data submitted in this questionnaire.

CM1 02.1
We undertook third party assurance on last year's PRI Transparency Report

☐ Whole PRI Transparency Report was assured last year
☐ Selected data was assured in last year's PRI Transparency Report
☒ We did not assure last year's PRI Transparency report
☐ None of the above, we were in our preparation year and did not report last year.

CM1 03.1
We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

☒ We adhere to an RI certification or labelling scheme

CM1 03.2
Which scheme?

☐ National SRI label based on the EUROSIF Transparency guidelines
☐ B-corporation
☒ UK Stewardship code

% of total AUM the scheme applies

☐ < 25%
☐ 25-50 %
☐ 50-70 %
☒ >75 %

☒ GRESB

% of total AUM the scheme applies

☐ < 25%
☐ 25-50 %
☐ 50-70 %
☒ >75 %

☐ Commodity type label (e.g. BCI)
☐ Social label
☐ Climate label
☐ RIAA
☐ Other

☐ We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
☐ ESG audit of holdings
☐ Other, specify
☐ None of the above

CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?		
<input type="radio"/> Whole PRI Transparency Report will be assured <input type="radio"/> Selected data will be assured <input checked="" type="radio"/> We do not plan to assure this year's PRI Transparency report			
CM1 07	Mandatory	Descriptive	General
CM1 07.1	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed		
<input type="checkbox"/> CEO or other Chief-Level staff <input type="checkbox"/> The Board <input type="checkbox"/> Investment Committee <input type="checkbox"/> Compliance Function <input checked="" type="checkbox"/> RI/ESG Team <input checked="" type="checkbox"/> Investment Teams <input type="checkbox"/> Legal Department <input type="checkbox"/> Other (specify)			