



M&G plc
SASB Disclosure

Year ended 31 December 2022

Introduction

M&G plc is a savings and investments business with roots stretching back more than 170 years and we have a long history of finding innovative solutions for our clients' changing needs. Our business is built on core values of care and integrity. Our purpose is to help people manage and grow their savings and investments, responsibly.

M&G plc brings together a diverse set of asset management capabilities and retail and savings expertise to offer a wide range of solutions for different clients across the globe. We serve more than 800 institutional clients such as pension funds and insurance companies. We serve our savings and investments clients under the Prudential brand in the UK and Europe, and under the M&G Investments brand for asset management clients globally. The Prudential Assurance Company (PAC), a subsidiary of M&G plc, is responsible for looking after the assets of Prudential clients, including policyholders in the Prudential With-Profits Fund.

This is the second year we have disclosed against the Sustainability Accounting Standards Board (SASB) standards, with this disclosure relating to the year ended 31 December 2022.

SASB Standards ('Standards') guide the disclosure of financially material sustainability information by companies to their investors. The Standards identify the subset of environmental, social, and governance (ESG) issues most relevant to financial performance in each industry. This year, in addition to applying the SASB standard for 'Asset Management and Custody Activities', a selection of accounting metrics derived from the SASB standard for 'Insurance' have been applied where they are applicable to our Retail and Savings business.

This document also refers to a number of our most recent publicly available reports and policies, as indicated.

Reference documentation

Report

[Annual Report 2022 \(ARA\)](#)

[M&G Sustainability Report 2021/22](#)

[M&G Investments 2021 Annual Stewardship Report](#)

[PAC 2021 Annual Stewardship Report](#)

[M&G Investment ESG Investment Policy](#)

[PAC ESG Investment Policy](#)

[Whistleblower Statement](#)

Code	Accounting Metric	M&G Response
Transparent Information & Fair Advice for Customers		
FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	<p>M&G plc did not employ any covered employees¹ with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings in the reporting period.</p> <p>¹ 'Covered employees' is defined by SASB as employees subject to filing the following forms: Forms U4, U5, and U6 with the Central Registration Depository ("CRD") of the Financial Industry Regulatory Authority ("FINRA"); Form B.D. with the Investment Adviser Registration Depository ("IARD") of the U.S. Securities and Exchange Commission ("SEC"); and Form BDW with the IARD of the SEC. M&G plc has 5 employees who meet this definition.</p>
FN-AC-270a.2 FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial and insurance product related information to new and returning customers	M&G plc did not sustain any significant monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning clients in the reporting period.
FN-AC-270a.3 FN-IN-270a.4	Description of approach to informing customers about products and services	<p>We make information on our products, propositions and services available online. Details of our offerings across the different areas of our business are published on the respective pages on our website which can be accessed through https://www.mandg.com/discover-m-and-g.</p> <p>For our retail asset management business, fund information is stored in the M&G Fund Centre - https://www.mandg.com/investments/professional-investor/en-gb/solutions/our-funds. This offers clients the ability to search M&G funds across different categories and fund-specific information. We also provide telephony support for each of the products through our Investments Helpline.</p> <p>For our Retail and Savings business, information on each of our products is stored in the existing client area of the M&G-Pru website. This offers clients the ability to search for a specific product, with a brief overview of each, and links to commonly searched actions for each type of product - https://www.mandg.com/pru/customer/en-gb/existing-customers/product-info. We have full telephony support for each of our Retail and Savings products, with the contact numbers listed here - https://www.mandg.com/pru/customer/en-gb/existing-customers/contact-us/call-us#product-enquiries.</p> <p>Through M&G Wealth we offer access to a broad and integrated range of savings and advice solutions for UK clients, through financial advisers, hybrid advice and direct digital channels. We proactively engage with our Heritage clients about their savings and pensions needs, helping them move to relevant savings solutions as they reach retirement. In 2022, we invested in call centre customer support and our digital capabilities, with 83% of all registered clients now "paperless".</p>
FN-IN-270a.3	Customer retention rate	<p>Customer retention rate is not a KPI used within our business. However our Net Promoter Score for 2022 in our Retail and Savings business was +14 (2021 restatedⁱ: +9)</p> <p>ⁱ Basis of calculation changed from three month to six month rolling average</p>

Code**Accounting Metric****M&G Response****Employee Diversity and Inclusion**

FN-AC-330a.1

Percentage of gender and racial/ethnic group representation for:
 (1) executive management,
 (2) non-executive management,
 (3) professionals, and
 (4) all other employees

Category	Gender ¹	Ethnicity ²
(1) Executive management ³	37%	12%
(2) Other senior management ⁴	33%	7%
(3) Professionals ⁵	39%	14%
(4) All other employees	52%	9%

¹ Gender is defined as women

² Ethnicity is defined as Black, Asian and minority ethnic and includes our undisclosed population

³ Group Executive Committee and their direct reports

⁴ Other senior management – Strategic and Integration Leaders not captured in Executive Management grouping

⁵ Professional – Manager or Expert level

The data included in response to this item is based on the population for the above categories (as defined above) on 31 December 2022.

Code	Accounting Metric	M&G Response
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Incorporation of Environmental, Social, and Governance factors in Investment Management

FN-AC-410a.1	<p>Amounts of assets under management by asset class that employ:</p> <ul style="list-style-type: none"> (1) integration of ESG issues (2) sustainability themed investing; and (3) screening 	<p>M&G subscribes to the definition of ESG Integration, endorsed by the Principles for Responsible Investment (PRI), as the explicit and systematic inclusion of ESG issues in investment analysis and investment decisions. Our asset manager’s implementation of these principles rests on three pillars:</p> <ul style="list-style-type: none"> • Integration of ESG issues into investment research • Integration of ESG issues into investment decision-making • Portfolio construction <p>All assets managed by M&G Investments Limited (MAGIM), and M&G Alternative Investments Limited (MAGAIM) on behalf of their clients are subject to our M&G Investments ESG Investments Policy - which covers the above principles - whether or not they are held within funds with a specific ESG objective or ESG-related outcome, and includes assets managed on behalf of the internal asset owner. This Policy does not currently cover recently acquired responsibility Investments or M&G Investments Southern Africa businesses. MAGIM and MAGAIM managed a combined AUMA of £286.6bn as at 31 December 2022.</p> <p>Article 9 designated funds, in line with the European Sustainable Finance Disclosure Regulation (SFDR), are those that specifically have sustainable goals as their objective. These funds amounted to £1.1bn of M&G’s AUMA as at 31 December 2022, and are also subject to the M&G Investments ESG Policy as detailed above.</p> <p>Article 8 designated funds, in line with the European SFDR, are those that promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices. All our Article 8 and 9 funds apply an agreed set of exclusions:</p> <ul style="list-style-type: none"> • companies involved in the controversial weapons industry • companies deemed to be in breach of the United Nations (UN) Global Compact Principles on human rights, labour, the environment and anti-corruption • companies involved in tobacco (production, trading and distribution) • adult entertainment (production and those deriving revenue from that business) • companies providing gambling services <p>Our total AUMA covered by Article 8 and 9 funds was £18.1bn as at 31 December 2022 and included our Article 9 funds total listed above.</p> <p>The total AUMA for M&G plc as at 31 December 2022 was £342.0bn.</p>
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Code	Accounting Metric	M&G Response
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Incorporation of Environmental, Social, and Governance factors in Investment Management (Continued)

FN-IN-410a.1	Total invested assets, by industry and asset class	<p>The total AUMA of M&G plc have been provided split by asset class below.</p> <table border="1" data-bbox="1031 278 2390 849"> <thead> <tr> <th>Asset class</th> <th>Total on balance sheet AUMA (£bn)</th> <th>Total external AUMA (£bn)</th> <th>Total AUMA (£bn)</th> </tr> </thead> <tbody> <tr> <td>Investment property</td> <td>10.0</td> <td>16.8</td> <td>26.8</td> </tr> <tr> <td>Equity securities and pooled investment funds</td> <td>79.2</td> <td>50.3</td> <td>129.5</td> </tr> <tr> <td>Loans</td> <td>2.5</td> <td>9.4</td> <td>11.9</td> </tr> <tr> <td>Debt Securities</td> <td>48.4</td> <td>76.4</td> <td>124.8</td> </tr> <tr> <td>Derivatives</td> <td>(1.5)</td> <td>0.6</td> <td>(0.9)</td> </tr> <tr> <td>Deposits</td> <td>17.1</td> <td>-</td> <td>17.1</td> </tr> <tr> <td>Cash and other</td> <td>5.9</td> <td>5.3</td> <td>11.2</td> </tr> <tr> <td>Other assets under administration</td> <td></td> <td></td> <td>21.6</td> </tr> <tr> <td>Total</td> <td>161.6</td> <td>158.8</td> <td>342.0</td> </tr> </tbody> </table>	Asset class	Total on balance sheet AUMA (£bn)	Total external AUMA (£bn)	Total AUMA (£bn)	Investment property	10.0	16.8	26.8	Equity securities and pooled investment funds	79.2	50.3	129.5	Loans	2.5	9.4	11.9	Debt Securities	48.4	76.4	124.8	Derivatives	(1.5)	0.6	(0.9)	Deposits	17.1	-	17.1	Cash and other	5.9	5.3	11.2	Other assets under administration			21.6	Total	161.6	158.8	342.0
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FN-AC-410a.2 FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	<p>The M&G Investment ESG Investment Policy describes the approach taken to incorporate ESG into investment management activities relating to the following M&G plc asset manager investment management entities: MAGIM and MAGAIM.</p> <p>The Prudential Assurance Company (PAC) ESG Investment Policy similarly describes the approach to ESG for investments relating to all aspects of business implemented by the asset owner’s Treasury & Investment Office on behalf of PAC.</p> <p>A description of how we integrate ESG into our investments and accelerate engagement for our Retail and Savings business is included in our 2021/22 Sustainability Report on page 15.</p>																																								
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	<p>M&G Investments 2021 Annual Stewardship Report voting pages and published voting policy - https://global.mandg.com/~media/Files/M/MandG-Plc/documents/responsible-investing/stewardship/mandg-voting-policy.pdf</p>																																								

Code	Activity Metric	M&G Response
Business Ethics		
FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice or other related financial industry laws or regulations	M&G plc did not sustain any significant monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice or other related financial industry laws or regulations in the reporting period.
FN-AC-510a.2	Description of whistleblower policies and procedures	<p>M&G plc's Whistleblowing Statement can be found on our website - https://www.mandg.com/site-services/whistleblowing</p> <p>Our Whistleblowing policy includes details of the whistleblower protections we have in place across M&G plc, so that anyone who does speak out feels safe and confident in doing so.</p> <p>This is supported by our Speak Out programme which includes different reporting channels, such as EthicsPoint, a confidential reporting system provided by an independent external service provider. This system is managed by the Speak Out team who report directly to the Chief Risk and Compliance Officer.</p> <p>All reports are taken seriously, with qualifying reports being independently and confidentially investigated, and all investigations being governed by the Speak Out programme.</p>

Code	Accounting Metric	M&G Response
Systemic Risk Management		
FN-IN-550a.1	Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	A breakdown of our exposure to derivative instruments and associated collateral is included in note 33 - Risk management and sensitivity analysis on page 272 within our 2022 ARA.
FN-IN-550a.2	Total fair value of securities lending collateral assets	<p>As at 31 December 2022, the Group had £3,638m (2021: £5,643m) of collateral pledged to the Group under securities lending and repurchase agreements, primarily relating to the With-Profits Fund. The cash and securities collateral accepted under securities lending agreements was £5,471m (2021: £5,021m).</p> <p>As at 31 December 2022, the Group had entered into reverse repurchase transactions under which it purchased securities and had taken on the obligation to resell the securities. The fair value of the collateral held in respect of these transactions was £15,316m (2021: £14,348m).</p> <p>Further information on securities lending transactions can be found in our 2022 ARA in section '33.4.3' of the financial statements on 'De-recognition, collateral and offsetting' (page 283).</p>
FN-IN-550a.3	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	A description of our approach to managing capital and liquidity risks is laid out in our 2022 ARA document within the risk management section on pages 58 – 67.

Code	Activity Metric	M&G Response
FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM)	Our assets under management and administration (AUMA), across our Asset Management and Retail and Savings businesses are detailed on page 3 of our 2022 ARA.
FN-AC-000.B	Total assets under custody and supervision	