

Our Responsible Property Investment Policy



M&G Real Estate is a top 25 global real estate fund manager. We form part of the M&G Group of companies, which is the fund management arm of Prudential Plc in UK and Europe. Our considerable knowledge and experience in property fund management means we can achieve maximum results for our investors. We manage over £22 billion of assets in 900 properties, and have 6,000 occupiers.

We believe that by adopting a sector-leading approach to Responsible Property Investment, we can manage and respond to the growing range of environmental and social issues that can impact property values, helping us protect and enhance fund and asset performance for our clients. Our responsible property investment strategy focuses on four key areas:

- **Ensuring portfolio resilience through stock selection and risk management** - Systematically identifying and managing environmental, social and economic risks in the stock we buy and hold ensures that funds have resilience to growing regulation, as well as physical and societal changes. By integrating these considerations into stock selection and asset management, we can protect long-term returns.
- **Driving improvements in the environmental performance of held assets** - Driving environmental improvements at our assets reduces operating costs, carbon emissions and the use of natural resources. This helps attract and retain tenants, and ensure that we appropriately manage environmental risks.
- **Actively develop relationships with occupiers, visitors and communities** - By developing proactive relationships with our occupiers, we can better understand their business needs and property requirements, helping to maximise occupancy rates and enhance returns. Local support is important to the long-term success of buildings and development projects, and to ensure this we must develop good relationships with visitors and communities.
- **Being responsible in our own business operations and seeking to influence the practices of our suppliers and partners** - We believe that we should not only implement responsible investment principles in the funds we manage but also in our own operations. By driving environmental improvements in our own offices we can reduce our own impacts and operating costs. Through engagement with our staff we can improve satisfaction, and attract and retain employees. Working in partnership with our suppliers and joint venture partners we can ensure that their operations are in line with our standards and principles.

We ensure our business conduct exceeds legislative requirements and other standards and, where feasible, we seek to achieve best practice standards. We will continually seek to improve our performance against these issues, which we consider to be most significant to the funds under management and our own business operations. We have put in place indicators and targets to monitor our performance and to enable us to improve over time. Full details of how we are managing and responding to these issues can be found within our Responsible Property Investment Report, which we publish on an annual basis.

Ultimately, all our employees are responsible for ensuring the delivery of this Policy, and its implementation is governed through our global Responsible Property Investment Forums, with representation from across the business.

A handwritten signature in black ink, appearing to read 'Alex Jeffrey', enclosed within a hand-drawn oval shape.

Alex Jeffrey

Chief Executive, M&G Real Estate

September 2015

Part of the M&G Group

A thick, horizontal yellow brushstroke underline that spans the width of the page, positioned below the 'Part of the M&G Group' text.