Precontractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: M&G Senior Direct Lending Fund I
Legal Entity Identifier: 2549007GCZ4GZ55EVD48

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ Yes

☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

Positive ESG risk and opportunity characteristics
The Compartment invests in securities of companies or issuers exhibiting positive ESG risk and opportunity characteristics that meet a minimum threshold based on proprietary ESG Score. ESG Score considers a broad range of environmental, social and governance factors, such as climate, diversity and inclusion, board composition, disclosure, where appropriate. Each investment made by the Compartment meets a minimum score on the Portfolio Manager's proprietary ESG Scoring system.

As part of analysis of ESG characteristics, investments are subject to a net zero assessment, where there is sufficient data and credible methodologies to inform the Portfolio Manager's Net Zero Investment Framework. Where the Portfolio Manager identifies opportunities for improvement, the engagement with investee companies is conducted with the aim to increase the proportion of companies Aligned, Aligning and Committed to Net Zero by 2050 over the life of the Compartment. The Compartment does not have greenhouse gas emissions reduction target.

ESG Exclusions
The Compartment will not invest in activities that are considered to be harmful to the society or the environment. The Compartment screens out any issuers that are in breach of international standards and/or are operating in sectors deemed not complying with ESG principles.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

Positive ESG risk and opportunity characteristics
- % Total Invested Capital providing environmental solutions
- % Total Invested Capital providing circular economy solutions
- % Total Invested Capital providing social inclusion

- % Total Invested Capital providing better health
- Average corporate ESG Score (proprietary)
- % Total Invested Capital below minimum corporate ESG Score (proprietary)
- % Total Invested Capital board gender female +33%
- Weighted Average Carbon Intensity
- % Total Invested Capital assessed by Portfolio Manager's Net Zero Framework
- % Total Invested Capital assessed as Committed to Net Zero by 2050
- % Total Invested Capital assessed as Aligning to Net Zero by 2050
- % Total Invested Capital assessed as Aligned to Net Zero by 2050

ESG Exclusions

- % Total Invested Capital held in investments excluded by the Compartment's ESG exclusions

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**
  To invest in companies that exhibit strong ESG characteristics expressed through a broad range of environmental, social and governance factors and/or their economic activities provide solutions in the areas of environment, circular economy, better health or social inclusion. The Portfolio Manager uses a series of proprietary tests based on available data to determine whether an investment makes positive contribution towards environmental or social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**
  Before investment and at least annually during the holding period, a check is performed to validate that sustainable investments exclude economic activities that are deemed to cause harm to people and/or the environment. Further, fourteen mandatory and four optional Principal Adverse Impact (PAI) indicators from the Annex I of EU Commission Delegated Regulation 2022/1288 are considered to establish materiality of the PAI indicator to the potential investment to ascertain that investment does not cause significant harm. Do No Significant Harm test is embedded in the initial due diligence and periodic monitoring process.

  - **How have the indicators for adverse impacts on sustainability factors been taken into account?**
    Assessment of PAI indicators is performed before each investment to determine suitability for the Compartment and at least annually during the holding period to inform areas for engagement with the issuers and determine appropriateness of investment classification as sustainable. Where data is available, quantitative assessment is performed. For remainder of PAIs, qualitative analysis is used to evaluate the impact.

  - **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**
    Due diligence performed before investment and annually during the holding period includes consideration of alignment with the UN Guiding Principles on Business and Human Rights. If potential investment is assessed to be in breach of the UN Guiding Principles on Business and Human Rights or OECD Guidelines for Multinational Enterprises, it will not be acquired. For existing investments, the Portfolio Manager will engage with the issuer.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, At the product level, the Compartment considers principal adverse impacts through assessing and monitoring fourteen mandatory and four optional PAI indicators from the Annex I of EU Commission Delegated Regulation 2022/1288. Adverse impacts are considered for engagement with the issuers. PAI indicators are collected from issuers for each applicable reference period with use of a systematized process and a best effort basis.

Corporate mandatory indicators:
1. Greenhouse gas (GHG) emissions
2. Carbon footprint
3. intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sectors
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio
10. Violations of UNGC principles and OECD Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons

Corporate voluntary indicators:
- Investments in companies without carbon emission reduction initiatives
- Investments in companies without workplace accident prevention policies
- Lack of human rights policy
- Lack of anti-corruption and anti-bribery policies

The information on how principal adverse impacts on sustainability factors were considered will be available in the annual report of the Compartment.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Compartment invests in Loans issued to Borrowers mainly located in the United Kingdom, Ireland, Germany, Austria, Switzerland, Belgium, the Netherlands, Luxembourg, and the Nordic countries (including Denmark, Finland, Sweden, Norway).

Qualitative and quantitative analysis is combined to assess a company's ESG risk management and value-creation abilities. An in-house ESG Scoring system is used, leaning on the Sustainability Accounting Standards Board's risk-mapping framework and supplemented by the leveraged finance team's investment experience to identify material ESG risks to investigate. Climate-related risks are also assessed and the state of a company's target-setting will be an input to assessment. In addition, the leveraged finance team conducts an engagement program with borrowers and sponsors to attest to their governance models, their environmental and social operating guidelines and where appropriate, to engage on key issues such as climate, diversity and inclusion, single use plastic and lobby for greater disclosure of ESG issues. Specific ESG commentaries are incorporated in all credit papers prior to initial investment and are revisited regularly, including at each six-monthly review of the entire portfolio.

Each investment is subject to net zero alignment assessment with use of the Portfolio Manager's Net Zero Investment Framework. Where available, analysis relies on targets set in line with recognised initiatives, such as Science-Based Targets. For other companies, proprietary assessment based on their disclosures is performed. The net zero assessment is dependent on data availability and therefore it may not be possible to conduct assessment for all investments.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Subject to the point below, the Compartment may not invest in assets which have an ESG Score by the Portfolio Manager or its delegate below pre-determined cut-off threshold.

The Compartment may invest up to 5% of Relevant Commitments in lower-rated assets or non-rated assets in respect of ESG Score where a demonstrable and monitored plan of action and engagement is to be pursued with a view to targeting a higher score over time.

The Portfolio Manager, or its delegate, acting on behalf of the Compartment, may not make an investment in any company or corporate which, at the time of purchasing an asset, is within scope of the following:

- **Global Norms.** Companies assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment protection and anti-corruption.
- **Controversial Weapons.** Companies assessed to be involved in anti-personnel mines, cluster munitions, chemical and biological weapons, nuclear weapons outside the non-proliferation treaty, depleted uranium and white phosphorous munitions, blinding laser, non-detectable fragment weapons. A 0% revenue threshold for such companies is applied.
- **Thermal Coal.** Companies that engage in activities excluded under the Coal Policy. This includes public companies that are in scope of the policy, as well as, privately held companies that engage in such activities.
- **Unconventional Oil and Gas.** Companies that derive revenues from the unconventional extraction of oil and gas (defined as oil sands and Arctic drilling) are excluded. A 10% revenue threshold for such companies is applied.
- **Adult Entertainment.** Companies involved in the production and / or distribution of adult entertainment. A 10% revenue threshold for such companies is applied.
- **Gambling.** Companies involved in the provision of gambling-related services. A 10% revenue threshold for such companies is applied.
- **Tobacco.** Companies involved in the production and / or distribution of tobacco. A 5% revenue threshold for producers and a 10% revenue threshold for distributors (wholesale and retail) is applied.

Where the Portfolio Manager considers the company (or issuer) has a credible transition plan to address the excluded activity, this may mean the Portfolio Manager permits investment. For example, where the Portfolio Manager determines a power company is transitioning away from its reliance on coal-fired power plants in a credible manner.

After the purchase of an investment, the Portfolio Manager will continue to monitor the limits listed above but they may be exceeded for reasons beyond the control of the Portfolio Manager. If they are exceeded after purchase the Portfolio Manager will record such matters and adopt as a priority objective to resolve that situation, but it will not be considered a breach. The Portfolio Manager shall be under no obligation to dispose of the assets in the event that limits are infringed after the acquisition of an asset and may disregard them where it believes that to do so is in the best interests of the Shareholders but no further acquisitions of such asset will be made while the limits are infringed.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Compartment does not set a committed minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **What is the policy to assess good governance practices of the investee companies?**

Good governance practices of investee companies are assessed prior to making an investment and monitored during the holding period as part of initial and periodic due diligence. Governance factors considered include, but are not limited to: sound management structures, employee relations, remuneration of staff and tax compliance. The Compartment does not invest in issuers that do not pass good governance test performed as part of initial due diligence. Material governance issues arising from periodic due diligence are considered for engagement with issuers.

Asset allocation describes the share of investments in specific assets.

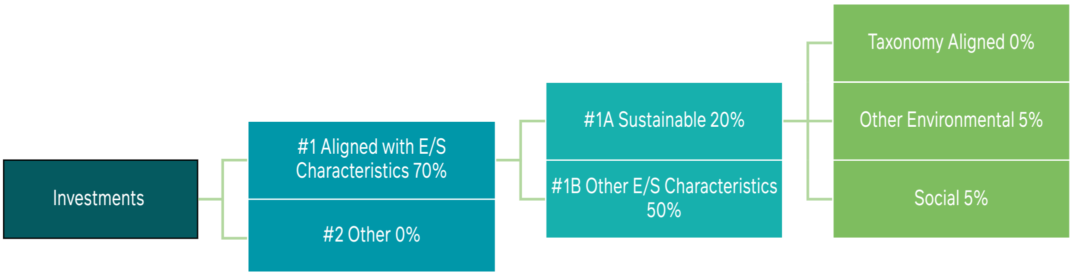
What is the asset allocation planned for this financial product?

A minimum of 70% of the Compartment's Total Invested Capital are investments aligned to the environmental or social characteristics promoted. This includes a minimum of 20% of Total Invested Capital in sustainable investments. A minimum of 5% of the Total Invested Capital is aligned to the environmental objective and a minimum of 5% of the Total Invested Capital is aligned to the social objective. Compartment's strategy assumes flexibility for the portfolio to have varying proportions of investments targeting environmental and social outcomes over time. A minimum of 0% (and a maximum of 30%) of the Total Invested Capital are other investments not aligned to the environmental or social characteristics.

Minimum commitment to sustainable investments applies from the end of Investment Period . This is due to the fact that closed-end funds, such as this Compartment, build up their portfolios over a period of time. The commitment is calculated as a % of Total Invested Capital. Compartment's Total Invested Capital is defined as initial capital value of investments purchased since the inception of the Compartment.

All asset allocations below are expressed as a % of Compartment's Total Invested Capital. They reflect planned asset allocation resulting from the commitments outlined in the paragraph above.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**
  The Compartment does not use derivatives to attain the environmental or social characteristics.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Compartment does not currently take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy Regulation. The Compartment will not actively target investments in taxonomy-aligned assets as part of its investment policy and, therefore, the Portfolio Manager expects that 0% of the Compartments' investments will be aligned with the environmental objectives under the Taxonomy Regulation.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

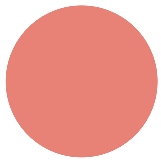
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***

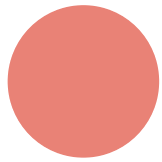


- Taxonomy aligned: Fossil gas (0%)
- Taxonomy aligned: Nuclear (0%)
- Taxonomy aligned: (No Fossil gas & Nuclear) (0%)

Taxonomy total (0%)

- Non Taxonomy aligned (100%)

2. Taxonomy-alignment of investments **excluding sovereign bonds***



- Taxonomy aligned: Fossil gas (0%)
- Taxonomy aligned: Nuclear (0%)
- Taxonomy aligned: (No Fossil gas & Nuclear) (0%)

Taxonomy total (0%)

- Non Taxonomy aligned (100%)

This graph represents 100% of the total investments.

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What is the minimum share of investments in transitional and enabling activities?**
  The Compartment does not set a minimum share of investments in transitional and enabling activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental objective is 5% of Total Invested Capital. None of these assets are expected to be aligned to EU Taxonomy because the Compartment does not currently take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy regulation.

What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments is 5% of Total Invested Capital.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Investments included in "#2 Other" consist of cash and cash equivalents, investments held for hedging or liquidity purposes, investments for diversification purposes or investments for which there is insufficient data.

For investments for which there is insufficient data and investments for diversification purposes, minimum safeguards comprise of exclusion of the companies that are assessed to be in breach of the UN Guiding Principles on Business and Human Rights or OECD Guidelines for Multinational Enterprises. For other ancillary assets (i.e. cash, cash equivalents and hedging instruments) no minimum environmental or social safeguards have been put in place.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated to determine whether this Compartment is aligned with the environmental and social characteristics that it promotes.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
  Not applicable.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
  Not applicable.

- **How does the designated index differ from a relevant broad market index?**
  Not applicable.

- **Where can the methodology used for the calculation of the designated index be found?**
  Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:
www.mandg.com/investments/institutional/en-global/sustainability-related-disclosures