

# Overview of Business Continuity Management

COVID-19 specific preparations

January 2021



The purpose of this document is to provide interested parties with a summary of the current Business Continuity Management arrangements within M&G plc and specifically on MGG Investment Operations and Dealing Resiliency for COVID-19 Scenario:

## M&G plc's Operational Resilience approach includes

### Business continuity management

M&G plc has documented plans to allow appropriate responses to interruptions to business as usual at a departmental level. Plans are maintained by department managers for localised incidents. An annual assurance programme is in place, with results reported to the Board.

### IT disaster recovery

M&G plc plans for loss of data centre or failure of critical enterprise architecture or applications. Detailed plans are maintained by relevant Technology teams.

### Incident management

M&G plc implements a defined framework by which actual or potential disruptions are identified, escalated and managed, supported by an annual exercising schedule which includes both internal and external supplier engagement.

### Third party oversight

M&G plc has identified its critical dependencies on third parties and manages these through a rigorous review and assessment programme, undertaking due diligence around operational resilience and business and IT recoverability.

## MGG dealing and specific investment operational readiness:

Information below is specific to operations and the extra steps that we have taken for the COVID-19 business continuity situation:

- We run internal FX, FI and Equity dealing desks. All dealing functions have been set up such that 100% of the staff can work from home.
- We have provided dealers with extra technical infrastructure (Dealing Boards and Screens); enabled IPC Softphone as an additional secure recoded dealing capability. In addition, we have enabled Bloomberg Anywhere for all relevant staff.
- We have set up a Daily Product Management / Fast Markets committee. This is chaired by the CIO. It is attended by Dealing, Operations, Risk, Compliance and Fund Accounting oversight teams. This committee is reviewing daily market conditions, security and fund valuations; client flows and liquidity.
- All investment operations staff have been enabled to work remotely. As of Friday 19 March, we are working 100% remotely and have access to full suite of systems. There are no business-critical tasks that have been identified that cannot be completed remotely.
- Staff responsible for business-critical tasks have been prioritised to ensure that they have all IT Kit available to them to work remotely (Monitors etc).
- Daily calls with all operational teams and their management are in place across trade processing, derivative processing and lifecycle management teams and robust escalation process in place.



- Daily Management information is being reviewed to ensure we are prioritising capacity across teams; ensuring market and settlement trends are monitored.
- Daily roll call of all operations staff is in place identifying sickness, self-isolation and annual leave providing a view of capacity to support business critical process.
- Key performance indicators across all investment operations teams supporting trading and lifecycle management are collated daily, assessed for themes and escalated where appropriate.
- Daily discussion in place between our Data Management, Fund oversight teams and our key outsourced suppliers who manage our NAV process.
- BCP invoked on Friday 19 March with all key custodians and third parties allowing digital signatures and ensuring that we continue to interact in a robust and efficient way throughout the incident
- All the above is escalated and reviewed by the COO Investments daily.

## Additional detail on M&G plc operational resilience

M&G plc is committed to mitigating the impact of any incident affecting its business operations. It maintains a policy for Business Continuity Management (including Disaster Recovery and Business Continuity) which sets out the minimum standards against which the firm will operate. Business Continuity is a core component of the M&G Risk Management Framework, and the policy sets out the approach for managing business continuity to support the strategy of the business.

### Objectives

The objectives of M&G plc's Business Continuity Management are to:

- ensure, as far as reasonably possible, the safety and welfare of M&G plc staff
- ensure, as far as reasonably possible, the continuity of regulated activities and minimise the impact of disruption for clients
- determine recovery priorities

- establish an organisational structure to manage an event
- establish adequate escalation and invocation plans
- limit any financial loss
- co-ordinate the rapid re-establishment of critical functions, including the preservation of essential data
- maintain effective relations with the media, clients, regulators and other stakeholders
- maintain effective internal communications with affected employees
- provide appropriate assurance as to Business Unit compliance with this policy.

### Requirements

- Each Business Unit (BU) within M&G plc is required to have a Business Continuity plan or plans for managing the BU response to the interruption of a critical process.
- Each plan will have a named Plan Owner who is required to:
  - co-ordinate an annual review and sign-off of the plan from a relevant Senior Manager
  - communicate the plan to all staff associated with the critical processes and any other dependent Business Units.
- Each BU plan (or plans) must contain a list of:
  - critical processes that must be maintained
  - internal and external systems and third parties essential for the performance of each critical process
  - staff roles, where the absence of a specific individual will damage our ability to perform any of the identified critical processes
  - mitigating actions that will be taken in the event of an interruption to each critical process.
- Maintain effective plans and ensure the plans are reviewed and reissued at least annually.
- Maintain a structure for the management of incidents in each location.
- Provide all staff with appropriate awareness training at least every 18 months.

- Test relevant plans at least once every calendar year.
- Publish all test results to the relevant Board or Committee and monitor the progress of actions.
- Assess the BCM requirements of all new data centres or offices used to support M&G plc operations and ensure a recovery plan is agreed prior to going live.
- Maintain an office facility for work area recovery.

### Office Recovery

M&G plc has several dedicated and shared work area recovery sites throughout the UK and internationally. In addition, M&G plc provides additional capacity for all staff to be able to work remotely if necessary.

These arrangements are regularly tested.

## IT disaster recovery

### Data

M&G plc's disaster recovery strategy is based on Data Centre recovery capability for critical 2:

## Incident management

M&G plc maintains an Incident Management Framework that consists of several plans for co-ordinating the response to major incidents. M&G plc defines an incident as a situation that might be a disruption, crisis, loss, or emergency, or a situation that could lead to a disruption, crisis, loss, or emergency (ISO 22301:2012).

Monitoring of adherence to the methodology, preparedness and control effectiveness of M&G plc's incident response will be undertaken by the Central Response Team (CRT) and reported to the Operational Resilience Steering Group on a regular basis.

M&G plc's priorities in the event of an incident are to:

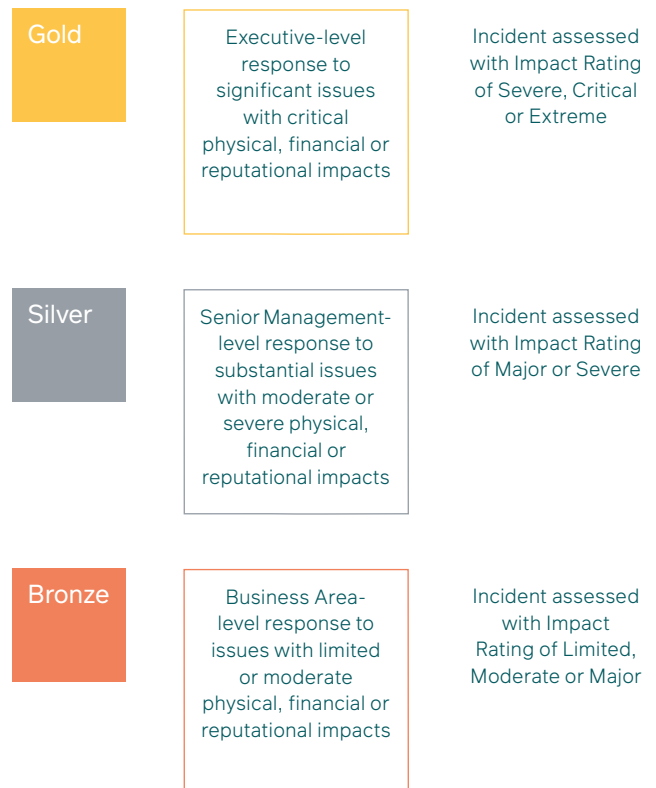
1. protect the safety and welfare of staff, visitors and neighbours
2. minimise customer harm
3. protect customer data
4. communicate honestly and effectively with all stakeholders
5. restore critical business services in a controlled manner
6. protect the long-term future and reputation of M&G plc and its subsidiaries

7. avoid market instability
8. meet regulatory expectations
9. operate with clear roles and responsibilities
10. document decisions in such a way to create an effective audit trail.

The incident lifecycle within M&G plc consists of the following seven main phases:

1. Detection and management notification
2. Triage
3. Analysis
4. Incident response (including escalation, if required)
5. Documentation of incident and event
6. Post Incident Review and Action Tracking
7. Effectiveness Review

The diagram below outlines our approach and how incidents are escalated from operational to executive level.



In 2020, there are planned dates for exercises of both the Gold and Silver Teams and additional walk-throughs of a variety of business-focused crises such as loss of key applications or suppliers.

## Third-party oversight

M&G plc uses outsourcing and third-party providers to allow us to focus on our core business strengths, reduce costs and manage risk. M&G plc recognises that it retains ultimate responsibility for any activity undertaken by a third party on its behalf. It is therefore incumbent on M&G plc to conduct appropriate ongoing oversight, with focus on those third parties deemed to be 'Critical' to M&G plc operations.

M&G plc undertakes regular third-party due diligence covering operational resilience and business and IT recoverability.

M&G plc's overall approach to Third Party Supply is set out in the M&G plc Third Party Supply Policy, covering inter alia:

- Assessment of Criticality
- Selection and Due Diligence
- Contract Requirements
- Management and Monitoring
- Governance and Oversight
- Exit Management

## Summary

Our Chief Operations Officer has designated a Director of Operational Resilience who is responsible for ensuring we can continue critical services to our customers

Plans, playbooks, procedures and supporting documents which support our resilience agenda are subject to review by both internal and external auditors as well as examination by industry regulators.

Should material changes to supporting documented management systems occur, this 'information pack' will be updated as appropriate.

We may modify this pack at any time and interested parties may obtain a current copy of this notice by contacting your relationship manager within M&G plc. 