

International Portfolio Bond

Sustainability-Related Disclosures

Introduction

The Sustainable Finance Disclosure Regulation (SFDR) is a European Union (EU) regulation designed to help investors by providing more transparency on how financial products and their underlying investment options can promote environmental and/or social characteristics, or have a sustainable investment objective.

This financial product promotes environmental or social characteristics. This means that it has one or more funds that promote these characteristics, and/or one or more funds that have a sustainable investment objective.

This document is primarily intended to list those funds required to make disclosures under SFDR, and provide details on the sustainability related disclosures (i.e. website disclosures) for these funds. For any funds under Sections A and B below, we will provide you with a link to where you can find more information online. For any funds included in Section C below, we will include a summary about the fund.

In this document

- Section A includes funds that promote environmental and/or social characteristics, and are defined as financial products by SFDR
- Section B includes funds that have a sustainable investment objective and are defined as financial products by SFDR
- Section C includes funds that have a sustainable investment objective and are not defined as financial products by SFDR

There may be other funds that the product offers that do not make disclosures under SFDR, for example a fund that does not promote environmental and/or social characteristics and does not have a sustainable objective, or where the fund manager has classified the fund as being out of scope of SFDR disclosure requirements. These are not included in this document.

Key information

- We've provided web links to the sustainability-related disclosures (i.e. website disclosures) of funds listed within Section A and B, and a summary section within Section C.
- If you have difficulty opening the links, finding information on the fund you are looking for, or for further information, please speak to your financial adviser. Alternatively, you can contact us on 0345 6000 614.
- The environmental or social characteristics of this product will only be met where the product invests in at least one of the funds listed, or investment options, for the holding period of the product.
- We've included further explanations, covering a number of useful terms, at the end of this document.

What does it mean to promote environmental and/or social characteristics?

This can include funds investing in companies with positive environmental and/or social characteristics. For example, it could include a fund manager favouring companies that are actively working on a transition to low carbon emissions or by screening possible investments for environmental, social and governance ratings before making investment decisions.

A fund categorised as promoting environmental and/or social characteristics and being classified as a financial product is referred to as an 'Article 8' investment option under SFDR.

What's a sustainable investment?

This can be explained as a fund that aims to invest 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.

A fund categorised as having a sustainable investment objective and being classified as a financial product is referred to as an 'Article 9' investment option under SFDR.

Information you might find in a Sustainability – Related Disclosure document

The links listed in Sections A and B will direct you to the sustainability-related disclosures provided by the fund manager. Here is a non-exhaustive list of the headings that may be provided.

- Summary*
- No significant harm to the sustainable investment objective
- Environmental or social characteristics of the financial product
- Sustainable investment objective of the financial product
- Investment strategy
- Proportion of investments*
- Monitoring of environmental or social characteristics
- Methodologies
- Data sources and processing*
- Limitations to methodologies and data
- Due diligence*
- Engagement policies*
- Designated reference benchmark*

A description of some of the above headings (*) have been provided below. Please refer to the Useful Terms section for further definitions.

- **Summary** – Outlines the key sustainability related information for that fund
- **Proportion of investments** – Outlines the proportion of investments that have environmental and social characteristics or a sustainable investment objective
- **Data sources and processing** – How data sources are used to attain the funds classification and the processes and measures that are applied to this data
- **Due diligence** – Due diligence carried out by the fund manager on the underlying fund, including the internal and external controls on their due diligence
- **Engagement policies** – How fund managers engage with companies to integrate environmental, social and governance (ESG) considerations into the investment process
- **Designated reference benchmark** – Is a measure that compares the sustainable performance of the financial products with the sustainable performance of a broad market index

For any funds included in Section C, we've included a summary about the fund.

Section A

Funds that promote Environmental and/or Social Characteristics and are considered financial products

'Article 8' investment option

The links below will direct you to the sustainability-related disclosures of each underlying investment option/fund. This information has been produced and published by the underlying fund manager.

The links will provide information about each fund, detailed under the types of headings listed in the previous section. Each fund manager will provide a summary of the key sustainability related information for that fund, detailed in the 'Summary' section.

We have included the disclosure links where they have been made available to us, otherwise the attached link will lead you to the fund manager's website.

Fund manager	Fund name	Fund identifier	Hyperlink
Brown Advisory	US MID Cap Growth B Acc GBP	IE00BYW8R751	Link
	US MID Cap Growth B Acc GBP Hedged	IE00BYW8R868	Link
FIL Investment Services UK Limited	Global Technology Fund W Acc GBP	LU1033663649	Link
Franklin Templeton	Emerging Markets Smaller Companies W Acc GBP	LU0768361320	Link
GAM Fund Management Limited	Credit Opportunities I Acc GBP	IE00B510J173	Link
	Credit Opportunities I Inc GBP	IE00B54L8Q54	Link
HSBC Investment Funds (Luxembourg) SA	Global Lower Carbon Equity BC Acc GBP	LU1674673931	Link
	Global Lower Carbon Bond BC Acc GBP Hedged	LU1689526942	Link
JP Morgan Asset Management (Europe)	Global Income Sustainable C Acc GBP Hedged	LU2299134929	Link
	Global Income Sustainable C Inc GBP Hedged	LU2279690759	Link
M&G Luxembourg	Sustainable Total Return Credit Investment Fund AI Acc	LU2648527732	Link
Schroder	Asian Total Return C Inc GBP	LU2363960886	Link
	Global Sustainable Growth C Inc GBP	LU2363960886	Link
	Sustainable Multi-asset Income C Inc GBP	LU2275662646	Link
	Sustainable Multi-asset Income C Acc GBP	LU2275662562	Link
Vanguard Investment Series Plc	ESG Developed World All Cap Equity Index Acc	IE00B76VTN11	Link
	ESG Developed Europe Index (GBP) Acc	IE00B76VTL96	Link
	ESG Developed World All Cap Equity Index Inc	IE00B76VTM04	Link

Section B

Funds that have a Sustainable Investment Objective and are considered financial products

'Article 9' investment option

The links below will direct you to the sustainability-related disclosures of each underlying investment option/fund. This information has been produced and published by the underlying fund manager.

The links will provide information about each fund, detailed under the types of headings listed in the previous section. Each fund manager will provide a summary of the key sustainability related information for that fund, detailed in the 'Summary' section.

We have included the disclosure links where they have been made available to us, otherwise the attached link will lead you to the fund manager's website.

Fund manager	Fund name	Fund identifier	Hyperlink
BlackRock (Luxembourg) S.A.	Sustainable Energy D4R Inc GBP	LU0435534705	Link
	Circular Economy D2 GBP Acc	LU2087589854	Link

Section C

Funds that have a Sustainable Investment Objective but are not considered financial products

Currently there are no funds being offered that fall into this category.

Sustainability-Related Periodic Report

On an annual basis we publish a periodic report for this product. This will detail how each relevant fund that the product invested in met their environmental or social characteristics or their sustainable investment objective over the referred period. How this was achieved will depend on the fund in question; the fund manager will assess this at fund level for each fund they manage. The sustainability-related periodic report can be found at pru.co.uk/sfdr

EU Taxonomy Statement

The EU Taxonomy is a classification system which helps ensure our business activities are environmentally sustainable. This includes a list of sustainable economic activities but doesn't include any socially sustainable ones. Not all sustainable investments with an environmental objective will be aligned with the Taxonomy.

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.

Please speak to your financial adviser for more information.

Some useful terms

Here are some terms that might help aid your general understanding. If you are looking for more information then please speak to your financial adviser.

Article 8 investment options: Investment options or products that promote environmental and/or social characteristics, provided that the companies in which the investments are made follow good governance practices.

Article 9 investment options: Investment options or products that have a sustainable investment as its objective.

International Securities Identification Number (ISIN): a unique code to help the identification of a fund. ISINs are shown, where applicable, in the fund identifier column in the sections above.

Investment Options: See 'funds'

Funds: Also referred to as investment options. A fund is a pool of money professionally managed, by a fund manager, against a pre agreed objective, with the aim of generating a return for its investors. Funds can invest in one type of asset or multiple, known as a multi asset fund.

Financial Product: SFDR classifies any of the following as a 'financial product':

- Alternative investment funds (AIFs);
- Insurance Based Investment Products (IBIPs);
- Investment portfolio;
- Pan-European Personal Pension Product (PEPP);
- Pension product;
- Pension scheme;
- Undertakings for Collective Investment in Transferable Securities (UCITS).

Prudential International Assurance (PIA)'s unit linked funds are not covered by the list above, and hence are not financial products under SFDR.

Principal Adverse Impacts (PAIs): PAIs are defined as: 'Negative, material or likely to be material effects on sustainability factors that are caused, compounded by or directly linked to investment decisions and advice performed by the legal entity. Examples include Greenhouse Gas (GHG) emissions and carbon footprint.'

Promoting environmental and/or social characteristics:

This can include funds investing in companies with positive environmental and/or social attributes. For example, it could include a fund manager favouring companies that are actively working on a transition to low carbon emissions or by screening possible investments by environmental, social and governance ratings before making investment decisions.

Sustainable Investment: 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.

Sustainable Finance Disclosure Regulation (SFDR):

This EU regulation has introduced various disclosure-related requirements for financial market participants and financial advisers at entity, service and product level. It aims to provide more transparency on sustainability within the financial markets in a standardised way.

The Do No Significant Harm Principle (DNSH):

applies to funds which make sustainable investments. The DNSH principle includes the consideration of the following:

- Principal Adverse Impacts (PAIs)
- Alignment of investments with the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and the United Nations' (UN) Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The Organisation for Economic Co-operation (OECD)

Guidelines for Multinational Enterprises: are government-backed recommendations which provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognised standards.

UN Guiding Principles on Business and Human

Rights: outline steps for States to ensure and foster business respect for human rights; provide a blueprint for companies to respect human rights; and offer a set of benchmarks for stakeholders to assess business respect for human rights.

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