



# Community Investment

**Basis of Reporting**

## Overview

M&G plc is a leading savings and investments business, managing investments for both individuals and for large institutional investors around the world.

We actively work to help tackle social challenges and support the communities where we work, and our community investment is closely aligned with our business objectives. We establish long-term relationships with our charity partners to improve lives and build communities and provide support not only through funding, but also with the experience and expertise of our colleagues.

## Definition

Community Investment Spend:

Charitable cash donations (£m)

In-Kind donations data (£m)

## Scope of Indicator Reported

The scope of the data is M&G plc and wholly owned corporate subsidiaries as well as those acquired in 2023, but excluding joint ventures, associates and consolidated funds.

We calculate our community investment spend using the internationally recognised Business for Societal Impact (B4SI) standard. This includes cash contributions to registered charitable organisations, as well as a cash equivalent for in-kind contributions including staff time contributions, donation of office space and equipment and management costs.

The B4SI framework outlines four different types of cost that a company can incur in making community contributions: cash contributions, time contributions; contributions of products, property or services, management costs including Corporate Community Investment programme staff salaries. The total cost of a single community activity will be made up of one, or a combination, of these different types of contribution.

## Data Collection

The M&G Corporate Responsibility (CR) team is responsible for managing all CR activities across the business: devising community investment initiatives which underpin the company's social purpose, measuring impact and spend.

### Charitable cash donations

Charitable cash contributions are the gross monetary amounts paid in support of a community organisation/project, and include:

- direct donations/grants to charitable organisations or activities – e.g. registered charities, social enterprises, NGOs and other organisations with a charitable purpose that deliver a clear public benefit
- matching employee giving (via a dedicated matched funding portal managed by Charities Trust)
- covering the expenses of employee involvement
- membership and subscriptions to community organisations

Most of M&G's corporate cash donations are made from the central CR budget and managed by the central CR team. Donations data is captured and recorded centrally.

The remaining donations are made from local budgets. To ensure that all charitable cash donations are captured and reported, including those made directly from local budgets, a data collection process is in place. This is managed by the central M&G Reporting team in conjunction with local business unit finance teams. All local finance teams are required to provide details of

any cash donations made directly from local budgets as opposed to the central CR budget. Any local charitable donations are cross-checked by the central CR team.

#### In-kind donations data

In line with the B4SI framework, M&G's in-kind donations data includes time contributions, contributions of stock, property space or services and management costs (the central CR team staff salaries).

Time contributions are the cost to the company of paid working hours contributed by M&G employees to a community organisation or activity. The term 'volunteering' includes any active engagement in community activity during paid working time. Examples include employee volunteering, active participation in fundraising activities and supervision of work experience placements.

Volunteering data is captured and reported by flagship charity partners (via a Charity Evaluation Template) and a network of local community champions (via an in-kind donations data collection workbook). In addition, M&G employees are entitled to two days of leave each year to take part in activities which support a registered charity and/or community organisation. The volunteering allowance is flexible and can be booked in full days or in hours. This time is logged on a Workday system. The value of volunteering time is calculated using the average hourly rate – see Assumptions section below.

Other non-cash in-kind resources provided to community organisations include donations of the company's resources such as IT equipment, used furniture, meeting rooms or other office space. Examples include donation of surplus stock, contributions of used office equipment or furniture and use of company premises – see Assumptions section below.

As well as measuring the direct input costs to the community, M&G captures and reports costs incurred in making its contributions. These include the salaries, national insurance, variable compensation (bonus), pension, and health and medical costs of the central CR team. Management costs capture overall programme coordination, not time spent volunteering on specific community projects. This contribution is recorded as a 'time' contribution, rather than as an overall management cost.

M&G's central CR team delivers flagship charitable programmes both nationally and internationally and supports colleagues through volunteering and team challenges.

In addition, a network of community champions represents each M&G office to ensure engagement with colleagues across the business and support for local charities and community groups. Their time has been calculated at an average of two hours per month, with the exception of Poland, South Africa and India where local community activity is on a larger scale. This has been calculated based on the time spent coordinating and promoting the community activities and events.

In order to ensure that all community investment in-kind support (outlined above) is captured and reported, flagship charity partners complete a Charity Evaluation Template. This includes details of M&G's support of the charity programme, including data on staff volunteering numbers and time spent on specific community projects managed by the charity. In addition, local community champions across the company submit an in-kind donations data collection workbook. These are submitted to the CR team for cross checking.

## **Assumptions**

### **Average hourly rate – used for volunteering hours**

2023 total number of staff employed, and total costs of employment sourced from M&G Financial Reporting team. Data published in the 2023 M&G plc Annual Report.

Average cost of M&G employee = Total employment costs / total number of staff

Total average headcount = 8,145

Average annual cost = 1,003,000,000/8,145 = 123,143.033

Average weekly cost = 123,143.033/52 = 2,368.135

Average daily cost = 2,368.135/5 = 473.627

Average hourly cost =  $473.627/7.5 = 63.15$

### **Currency conversion calculations**

Currency conversions are calculated using average exchange rates provided by the Financial Reporting team.

### **Office space assumptions**

UK London office: £194/day

UK London auditorium: £2191/day

Asia/Poland auditorium: £947/day

Asia/Poland office: £82/day

Office space assumption data has been provided by the Workplace Solutions team. It is assumed that 1 day is 7.5 hours.

### **Equipment assumptions**

In order that in-kind contributions can be assessed on the same basis as cash and time contributions, all in-kind contributions are valued at what it has cost the company to make, not at what the beneficiary organisation would have had to pay in the open market. Where these have been written down to zero for accounting convenience but have a value in terms of the community programme, a fair second-hand value has been substituted. This includes ticket donations from sponsorship partners, based on market value.

Each local business area has provided an estimated value for donated items in local currency, using local knowledge of the market value of the donated item. If donated items are new, the purchase price has been stated. If used, a 20% discount rate has been applied to the value of the items.