



M&G plc – SASB 2021FY

Introduction

We are a savings and investments business with roots stretching back more than 170 years and we have a long history of finding innovative solutions for our customers' changing needs. Our vision is to become the best-loved and most successful savings and investments business. We help people manage and grow their savings so they can live the life they want while making the world a little better along the way. Our business is built on core values of care and integrity.

M&G plc brings together a diverse set of asset management capabilities and insurance expertise to offer a wide range of solutions for different customers and clients across the globe. We serve more than 800 institutional clients such as pension funds and insurance companies. We serve our savings and investments customers under the Prudential brand in the UK and Europe, and under the M&G Investments brand for asset management clients globally.

For the first time in relation to the year ended 31 December 2021 we are reporting against Sustainability Accounting Standards Board (SASB) standards. SASB Standards guide the disclosure of financially material sustainability information by companies to their investors. The Standards identify the subset of environmental, social, and governance (ESG) issues most relevant to financial performance in each industry. This disclosure includes M&G plc's activities as asset manager and asset owner. This document also signposts publicly available information, where appropriate.



Key*

ARA	<u>Annual Report 2021</u>
SR	<u>M&G Sustainability Report</u>
ST	<u>M&G Investments 2020 Annual Stewardship Report</u>
ESG IP	<u>M&G Investments ESG Investment Policy</u>
WB	<u>Whistleblower Statement</u>



SASB Standard	Indicator	Disclosures
Transparent Information & Fair Advice for Customers		
FN-AC-270a.1.	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer initiated complaints, private civil litigations, or other regulatory proceedings.	<p>Covered Employees: 4</p> <p>M&G plc does not have any covered employees with a record of investment-related investigations, consumer initiated complaints, private civil litigations, or other regulatory proceedings to report.</p> <p>The data included in response to this item is based on the population of covered employees (as defined by SASB) on 31 March 2021 .</p>
FN-AC-270a.2.	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers.	<p>M&G plc does not have any monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers.</p>
FN-AC-270a.3.	Description of approach to informing customers about products	<p>All customer communications are produced in line with the requisite regulations and guidance as prescribed by our regulators. The main categories of materials produced are:</p> <ul style="list-style-type: none"> • Application forms • Client guides • Adviser guides • Fund factsheets • Fund information • Quarterly reviews • Servicing forms • Terms and Conditions <p>We also make information on our products, propositions and services available online.</p> <p>In addition, we have full telephony support segmented by product. Methods of communication are mail, email, telephone and websites that can be accessed by both prospective and existing customers.</p> <p>For clients invested in our fund ranges we provide information and documentation on each fund (including objectives, performance, risks, costs, and ESG integration approach) on our website (www.mandg.com/investments/) in line with relevant regulations and guidance for the jurisdictions we distribute in. Telephone, mail and email support is available for customers, through their sales representative or via the contact information on the website. For institutional clients investing through segregated mandates we provide bespoke reporting to support their needs, with further support available from our client teams.</p> <p>We have Tone of Voice guidance, directing communications to be written with confidence, authenticity and simplicity.</p>



SASB
Standard

Indicator

Disclosures

Employee Diversity and Inclusion

FN-AC-330a.1

Percentage of gender and racial/ethnic group representation for
(1) executive management,
(2) non-executive management,
(3) professionals, and
(4) all other employees

Category	Gender *	Ethnicity **
(1) Executive management ***	35%	13%
(2) Non-executive management	31%	7%
(3) Professionals	38%	13%
(4) all other employees	51%	10%

** Gender is defined as women*

*** Ethnicity is defined as Black, Asian, Minority and Ethnic (BAME)*

**** Group Executive Committee and their direct reports*

The data included in response to this item is based on the population for the above categories (as defined by SASB) on 31 December 2021.

Incorporation of Environmental, Social, and Governance Factors in Investment Management

FN-AC-410a.1.

Amounts of assets under management by asset class that employ:
(1) ESG issues
(2) sustainability themed investing; and
(3) screening

Our Asset Manager manages £325.3bn of AUM which includes £168.6bn on behalf of the Asset Owner. All funds actively managed by the Asset Manager are ESG integrated, with the exception of four funds primarily invested in UK gilts and UK index-linked bonds (£0.6bn AUM). As an Asset Owner our strategic asset allocation process considers ESG across multiple channels. This includes the country risk categorization framework, benchmark construction and portfolio sensitivity analysis. ESG risks, including climate, are also integrated into the asset owner's manager selection and ongoing investment due diligence through the initial screening process, investment due diligence meetings, and mandate design.



SASB Standard	Indicator	Disclosures
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Incorporation of Environmental, Social, and Governance Factors in Investment Management

FN-AC-410a.2.	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	ESG IP – entire document references throughout
FN-AC-410a.3.	Description of proxy voting and investee engagement policies and procedures	ST – Pages 30 –36

Business Ethics

FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice or other related financial industry laws or regulations	M&G plc does not have any monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice or other related financial industry laws or regulations.
FN-AC-510a.2	Description of whistle-blower policies and procedures	Whistle-blowers – Statement as on website URL below: https://www.mandgplc.com/site-services/whistleblowing SR – Page 40-42



SASB Standard	Indicator	Disclosures
Systematic Risk Management		
FN-AC-550a.2.	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	<p>To ensure liquidity risk is managed consistently and appropriately, it falls under the remit of a number of formal Committees to ensure this aspect is considered at all relevant stages of the investment process and the entire lifecycle of M&G funds under management.</p> <p>The Investment Risk Team is responsible for the independent second line oversight of investment risk and liquidity risk. To this end, European Securities and Markets Authority compliant liquidity risk reports and stress tests are produced automatically on a daily basis.</p> <p>Liquidity is a standing agenda item at regular risk oversight meetings, where fund managers can be challenged on any relevant aspects relating to ensuring portfolio liquidity is adequate to the funds' strategy and objectives. Liquidity stress tests (LSTs), modelling fund exposures to reduced market liquidity and to a variety of liability scenarios form part of the automated liquidity reporting suite and are run for all funds under this Risk Management Policy.</p> <p>These stress tests are conducted independently from the portfolio management function, and are reviewed at least on a quarterly basis by the Liquidity Management Sub-Committee(LMSC) at M&G.</p> <p>The results of these stress tests will highlight areas of potential liquidity concern. Any funds with exposures in excess of the appropriate thresholds agreed by the LMSC will be analysed in further detail and may be escalated for further action to the portfolio management function, the Executive Committee at M&G, or to the fund board.</p> <p>Liquidity stress testing results are also discussed where relevant in investment risk meetings with fund managers to prompt challenge and ensure that liquidity remains appropriate.</p> <p>For information on our Corporate Liquidity Risk: ARA – Corporate Liquidity - Page 75</p>
FN-AC-550a.3.	Total exposure to securities financing transactions	ARA – Page 266 33.4.3 De-recognition, collateral and offsetting