

M&G invests \$50 million in US sustainable forestry with conservation and carbon credit potential

- *M&G participates in one of the largest private conservation-focused forest investments in U.S. history*

London, 12 January 2023 – M&G announces an investment of \$50 million into one of the largest private conservation-focused forest investments in U.S. history. The investment, valued at approximately \$1.8 billion, saw the purchase of 1.7 million acres of timberland for enrolment in Improved Forest Management (IFM)-based carbon credits projects.

The acquisition was completed by Bluesource Sustainable Forests Company (“BSFC”), a joint venture between Anew, a leading Improved Forest Management developer, Oak Hill Advisors and a group of global investors. At a time when 4.2 million acres of U.S. forest cover continues to be lost annually from industrial logging practices, Anew’s role is to transition the BSFC acquired lands into sustainably managed forestland for climate mitigation.

BSFC’s strategy is to acquire commercial hardwood forests with a view to shifting their purpose towards generating high quality and verified carbon credits and, in turn, deliver a measurable environmental benefit. This forest portfolio is significant in terms of scale and diversity, with 1.7 million acres across over 50 forest sites.

The sale of carbon credits is expected to be the main driver of revenue from this investment but forestry projects such as this have several additional benefits, including improvement in water quality and the conservation of ecosystems.

Anish Majmudar, Head of Real Assets within M&G’s Alternatives team, says: “These forests have the potential to sequester hundreds of millions of tonnes of atmospheric carbon dioxide over the next century through sustainable management, promoting biodiversity and tree growth. The power of nature to remove carbon dioxide from the atmosphere will play an important role in our global fight against climate change and we believe that nature-based solutions can offer differentiated revenue streams that benefit investment portfolios.”

“A functioning carbon market is essential to incentivising change as nature-based credits allow organisations to offset their emissions, where alternatives may not yet be viable. As the market develops, we believe that purchasers will increasingly consider carbon removal, additionality and permanency when evaluating carbon-credits and so we are seeking to invest in projects that can deliver these.”

M&G's investment was made as part of the Real Assets Impact strategy, which seeks to invest in Infrastructure, Agriculture and Natural Capital opportunities which contribute to the UN Sustainable Development Goals. The strategy focuses on three core areas: the energy transition, responsible consumption, and social and economic inclusion.

The Alternatives team manage and advise on \$12.2 billion of assets (30 June 2022). The 29-strong team within M&G's Private & Alternative Assets division invests in Private Equity, Real Assets and Diversifying Strategies.

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Notes to Editors

The Alternatives team is part of M&G's £76 billion Private & Alternative Assets division. The 29-strong team, initially formed in 1997 to invest on behalf of the Prudential With Profits Fund, invests in three areas, Private Equity, Real Assets and Diversifying Strategies.

Size of Private and Alternative Assets team (£76.7 billion), as at 30 June 2022.

4.2 million acres of U.S. forest cover continues to be lost annually from industrial logging practices is sourced from World Resources Institute, Global Forest Watch - United States Dashboard. Annual Tree Cover Loss by Dominant Driver.

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Anew

Anew Climate, LLC ("Anew") is accelerating the fight against climate change by enabling companies and organizations to align their goals for conservation and impact with actionable next steps. With a comprehensive solutions portfolio that includes advisory services, carbon credits, renewable natural gas, renewable energy credits, EV credits, plastic credits, and emission reduction credits, we lower barriers to participation in environmental markets for clients across the private and public sectors. As a leading marketer and originator of environmental products, we bring together strategic finance, regulatory expertise, scientific knowledge, and impact focus to make it possible for businesses to thrive while building a sustainable future. Anew is majority owned by TPG Rise, TPG's global impact investing platform, and emerged from the February 2022 combination of durational industry leaders Element Markets, LLC and Blue Source, LLC. The company has offices in the U.S., Canada, and Europe, and an environmental commodities portfolio that extends across five continents.

About M&G Investments

M&G Investments is part of M&G plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc's UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G plc listed as an independent company on the London Stock Exchange in October 2019 and has over €400 billion of assets under management (as at 30 June 2022). M&G plc has customers in the UK, Europe, the Americas and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate.

M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme.

M&G plc has committed to achieve net zero carbon emissions on its total book of assets under management and administration by 2050 and committed to reduce operational carbon emissions as a corporate entity to net zero by 2030.

For more information, please visit: <https://global.mandg.com/>

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