

M&G Real Estate: Environmental Policy



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M&G Real Estate is a top 30 global real estate fund manager and the property investment unit of M&G Investments. We recognise that as one of the world's largest real estate fund managers, our business activities have wide-ranging social, environmental and economic impacts. Environmental and social issues are already influencing real estate market fundamentals including obsolescence, rate of depreciation, voids, operational costs and liquidity. By being at the forefront of identifying and influencing the drivers of change, and shaping our investment strategies accordingly, we will continue to deliver strong returns to our investors in the long term and support creation of positive environmental and social outcomes.

We are committed to managing our environmental impacts in the most effective and responsible manner, to protect the environment, prevent pollution and continually raise our level of environmental performance. We ensure our business conduct exceeds legislative and compliance obligation requirements and, where possible, we seek to achieve best practice standards. We have set long term objectives to drive improvement over time and performance indicators to monitor our performance. Specifically, we will strive to:

- Achieve net zero greenhouse gas emissions (GHG) across our assets under management by 2050. This includes operational carbon in standing investments and embodied carbon in developments, refurbishment and fit-out works.
- Ensure climate resilience in our portfolios. Understand the risks posed by changing climate patterns, such as catastrophe/disaster and adapt to and mitigate their effects on our investment properties.
- Proactively deliver and evidence energy, GHG, water and waste efficiency at assets.
- Manage indoor environmental quality to protect and enhance occupier health & wellbeing.
- Procure or generate energy from renewable sources wherever possible.
- Reduce consumption of materials through re-use rather than disposal, wherever possible.
- Promote recycling and diversion of waste from landfill.

- Develop policies and practices which raise awareness and encourage and enable our staff and occupiers to contribute towards achieving environmental improvement.
- Apply sustainable procurement principles in our supply chain. Encourage our suppliers of goods and services to minimise the impact of their operations on the environment through our procurement policies and practices.
- Work with our external property and facilities managers to drive environmental improvements through the day-to-day operation of our investment properties.
- Take account of environmental considerations as part of our investment process.
- Apply the principles of environmental best practice in the planning, development, refurbishment and decommissioning of our buildings, including consideration of material sourcing
- Protect and where possible enhance biodiversity and natural habitats.
- Implement our ESG investment principles to inform and guide investment strategy.

Details of how we are managing and responding to these issues can be found in the M&G plc Sustainability Report, published annually. We will review this Policy on an annual basis to ensure that it remains relevant and appropriate.



Tony Brown

Global Head of M&G Real Estate