



20 July 2021

## M&G invests in early stage carbon capture and storage companies

- Part of M&G's ambition to achieve net zero carbon emissions across its entire investment portfolio by 2050

M&G plc today announces its backing for two private companies at the forefront of carbon capture and storage technology, a market expected to reach €10 billion by 2030\*.

The two investments are made through the £143 billion Prudential With-Profits Fund on behalf of over 5 million policyholders and is in line with M&G's ambition to achieve net zero carbon emissions across its entire investment portfolio by 2050 at latest.

The first investment is in Storegga Geotechnologies Ltd ("Storegga"), an independent UK company pioneering carbon reduction and removal projects. It is the lead developer of the Acorn Carbon Capture and Storage and Hydrogen Project ("Project Acorn") in North East Scotland. Project Acorn will capture carbon dioxide from Scottish industrial operations and - using existing offshore pipelines - will store it in secure geological storage under the sea bed.

By 2030 Project Acorn has the potential of achieving more than half of the 10 million tonnes a year of CO<sub>2</sub> storage targeted by the UK Government's Ten Point Plan for a green Industrial Revolution. It can then be scaled up, with the potential to store more than 20 million tonnes of CO<sub>2</sub> emissions per year within its first decade of operation - around half the household emissions of a city the size of London.

The investment, which is expected to boost jobs and develop new skills in the region, was made by M&G's Catalyst team, who are investing up to £5 billion into privately-owned innovative enterprises working to create a more sustainable world.

The second investment, by M&G's Alternatives team through an external partner, is in Summit Carbon Solutions, a company which aims to dramatically lower the carbon footprint of ethanol biorefineries and other industrial emitters throughout the Midwestern United States. The company plans to install carbon capture equipment at industrial facilities, develop a pipeline network to aggregate and transport CO<sub>2</sub> to sequestration sites and drill and operate injection wells.

Once fully developed, the company's infrastructure network should be capable of capturing and permanently storing more than 10 million tons of CO<sub>2</sub> annually - the equivalent of taking 2 million cars off the road per year.

**Jack Daniels, Chief Investment Officer, M&G plc, says:** "Carbon capture and storage is emerging as a responsible and pragmatic solution in the effort to arrest global warming. As sustainable investors



with patient capital, we are able to support these projects through their development phases until they become fully operational. When complete, these projects are likely to play a significant role in lowering the carbon footprint of industrial companies, as decarbonising their activities is expected to take longer, which is an important tool in the mix for tackling climate change.”

Carbon capture capacity is set to play a critical role in offsetting emissions which contribute to global warming while industrial sectors gradually decarbonise over the next decades. It offers the potential for stable income streams for investors, as well as helping limit global warming.

**-ENDS-**

### Notes to Editors:

\*International Energy Agency, Aker Carbon Capture, Berenberg estimates

Both investment teams, Catalyst and Alternatives, sit within the Private & Alternative Assets division at M&G. With over two decades of experience in private asset investment, M&G already manages over £67.2 billion in private credit, private equity and real estate on behalf of Prudential policyholders and external clients.

Drawing on this expertise and track record in private assets, the **Catalyst team** seeks opportunities across the globe to invest in unlisted businesses where capital is needed to drive innovation and impact. The **Alternatives team** invest across Real Assets, Private Equity and Diversifying Strategies.

**Storegga Geotechnologies Ltd** is an independent UK company pioneering carbon reduction and removal projects. The company is a carbon reduction and removal pioneer with its flagship UK Carbon Capture and Storage and Hydrogen project positioned to be the most cost-effective and scalable project of its kind in the UK.

It is lead developer of the [Acorn Carbon Capture and Storage and Hydrogen Project](#) in North East Scotland. Acorn is expected to be operational in the mid-2020s and would use the emissions from the gas terminals to establish a major CO<sub>2</sub> transportation and storage system in the UK.

By 2030 Acorn has the potential of achieving more than half of the 10Mt/yr of CO<sub>2</sub> storage targeted by the UK Government’s Ten Point Plan for a green Industrial Revolution. The Acorn Project can then be scaled up, with the potential to store more than 20 million tonnes of CO<sub>2</sub> emissions per year within its first decade of operation. There are currently only around 40 million tonnes of CO<sub>2</sub> per year stored globally. Storegga is also in the engineering and design phase of developing a direct air capture plant targeting in North East Scotland which is set to be first large-scale facility of its kind in Europe.

### Summit Carbon Solutions



Summit Carbon Solutions seeks to lower greenhouse gas emissions by connecting industrial facilities via strategic infrastructure to safely and permanently store carbon dioxide. Summit Carbon Solutions is an affiliate of summit agricultural Group. Summit Agricultural Group is a diversified agribusiness operator and investment manager with operations in the United States and Brazil. Summit deploys capital across the agricultural supply chain with a particular focus at the intersection of agriculture and renewable energy.

<sup>1</sup> The Prudential With-Profits Fund is the largest of its kind in the UK, offering investors access to a wide range of assets, across different asset types and countries, to create a diversified portfolio which spreads the risk of investment.

Size of the With-Profits Fund (£143 billion), number of Prudential customers (5 million) and size of Private and Alternative Assets team (£67.2 billion) all as at 31 December 2020.

**Media enquiries:**

---

**Irene Chambers**

irene.chambers@mandg.co.uk

+44 (0)20 8162 3284

**About M&G plc**

M&G plc is an international savings and investments business, managing money for both individual savers and institutional investors in 28 markets. As at 31 December 2020, we had £367 billion of assets under management and administration, around 5 million retail customers and more than 800 institutional clients.

With a heritage dating back more than 170 years, M&G plc has a long history of innovation in savings and investments, combining asset management and insurance expertise to offer a wide range of solutions. We serve our savings and insurance customers under the Prudential brand in the UK and Europe and for asset management in South Africa, and under the M&G Investments brand for asset management clients globally.

M&G 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.

*This press release reflects the authors' present opinions reflecting current market conditions; are subject to change without notice; and involve a number of assumptions which may not prove valid. It has been written for informational purposes only and should not be considered as investment advice or as a recommendation of any particular security, strategy or investment product. Past performance is not a guide to future performance.*

*The services and products herein are available only to investment professionals and are not available to individual investors, who should not rely on this communication. Information given in this document has been obtained from, or*



*based upon, sources believed by us to be reliable and accurate although M&G does not accept liability for the accuracy of the contents.*

Issued by M&G plc, incorporated and registered in England and Wales. Registered office: 10 Fenchurch Avenue, London EC3M 5AG. Registered number 11444019. M&G plc is a holding company, some of whose subsidiaries are authorised and regulated, as applicable, by the Prudential Regulation Authority and the Financial Conduct Authority.