



30 September 2022

## M&G plc updates on net zero investment progress

M&G plc is pleased to update stakeholders on progress on our pathway to achieving net zero carbon emissions across our investment portfolios as an asset owner and asset manager by 2050.

### Asset owner progress (Prudential Assurance Company)

Today our asset owner has published its first formal set of [interim targets](#) towards achieving net zero by 2050. These cover £99 billion in Prudential policyholders' and customers' assets which are managed on our behalf by M&G Investments and a number of external asset managers.<sup>1</sup>

The targets are:

- To reduce carbon emissions intensity across £99 billion of our AUM<sup>2</sup> by 50% across each of our public equity and public corporate debt portfolios, and 36% across real estate portfolios<sup>3</sup>.
- To reduce carbon emissions intensity in six of the most in-scope carbon intensive sectors by 2030: utilities (60% reduction), oil and gas (50%), steel and materials manufacture (40%), air transport (25%), shipping (25%) and road transport (50%).
- To engage, through the asset managers who act on our behalf, with the top 40 emitters in the portfolio to encourage them to set Net Zero targets.

The targets have been set according to the stringent requirements of the UN-convened Net Zero Asset Owners Alliance, a group of 74 global institutional investors committed to transitioning to net zero investment portfolios which we joined in 2021. We will be updating customers and other stakeholders on our progress towards these targets annually, starting in 2023.

### Asset manager progress (M&G Investments)

In November 2021 M&G Investments, our asset manager, set an [initial interim target](#) to reduce carbon emissions by 50% for 20% of its assets under management by 2030.<sup>4</sup> Its [first progress report](#) against this target shows, as at 31 December 2021:

- A 25.7% reduction in carbon intensity for in scope listed equity investments since 2019

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<sup>1</sup> Interim targets do not currently include assets invested by M&G South Africa, which was recently consolidated following M&G's acquisition of a majority stake in the business in 2021.

<sup>2</sup> As at 31 December 2019.

<sup>3</sup> Reduction in carbon emissions intensity compared to baseline year 2019.

<sup>4</sup> Reduction in carbon emissions intensity compared to baseline year 2019. Initial interim in scope assets represent 20% of the asset manager's assets under management as at 30 June 2021.



- A 13.9% reduction in carbon intensity for in scope public fixed income investments since 2019

This is encouraging progress, though we recognise we are at the start of our net zero journey and there is much work to do, including understanding the short and long term impact of COVID-19 on carbon emissions. Both the COVID-19 pandemic and war in Ukraine have highlighted global vulnerability to supply shocks and their impact on social, economic and political resilience.

As an asset manager, we intend to increase our initial interim target early in 2023 to reflect our internal client's new targets announced today. We also continue to invest in new Paris-aligned products, work with external clients to gain their support for Paris-aligned investment, and to work with other asset managers in the industry to develop robust methods and standards of measurement for private assets.

Our engagement programme, focused on the most carbon intensive companies and those with thermal coal exposure, continues to press for credible Paris-aligned climate transition plans, which we believe is the most effective and responsible way to bring about real world positive change.

Full details of our progress in accordance with our membership of the Net Zero Asset Managers Initiative, as well as our targets are available on our website [www.mandgplc.com/sustainability](http://www.mandgplc.com/sustainability).

Fabiana Fedeli, CIO Equities, Multi Asset and Sustainability at M&G Investments, said:

“As stewards of the long term savings of millions of people, we have a responsibility to help manage and mitigate climate risks. This includes supporting a just transition to a low carbon economy in our investments.

“While net zero across our assets under management remains an ambitious long term goal, these early signs of progress are encouraging and a testament to the continued commitment and effort of people across the business.”

-ENDS-

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## Notes to Editors:

### About M&G plc

M&G plc is an international savings and investments business, managing money for around 5 million retail customers and more than 800 institutional clients in 28 markets. As at 30 June 2022,



we had £348.9 billion of assets under management and administration. Our purpose is to help people manage and grow their savings and investments, responsibly.

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 under the M&G Investments brand for asset management clients globally.