



M&G plc
SASB Disclosure

Year ended 31 December 2023

Contents

Section	Page
Introduction to M&G	3
Summary	4
SASB Metrics	
- Transparent Information & Fair Advice for Customers	5
- Employee Diversity & Inclusion	6
- Incorporation of Environmental, Social and Governance Factors in Investment Management	7
- Financed Emissions	9
- Business Ethics	10
- Systemic Risk Management	11
- Activity Metrics	12

Introduction to M&G



M&G plc is an international savings and investment business offering a range of financial products and services through our three operating segments - Asset Management, Life and Wealth. All three segments work together with the aim to deliver attractive financial outcomes for our clients alongside shareholder returns.

Our Asset Management business is an international active asset manager with differentiated, high-value investment capabilities, and powers the investment solutions we offer to clients. Our Life business creates distinctive risk and investment solutions, alongside integrated insurance propositions. Our Wealth business provides holistic and accessible advice to individual clients in the UK and access to our Asset Management and Life products through strong intermediary relationships.

We serve more than 900 institutional clients such as pension funds and insurance companies. We serve our savings and pensions clients under the Pru brand in the UK and Europe. Our Asset Management business ('M&G Investments') serves clients globally, and sits within M&G Group Limited, a subsidiary of M&G plc. Our Life business sits within The Prudential Assurance Company Limited (PAC), a subsidiary of M&G plc, which is responsible for looking after the assets of Pru clients, including policyholders in the Prudential With-Profits Fund.

Our purpose is to give everyone real confidence to put their money to work. Our business is built on core values of care and integrity, and these guide what we do, the decisions we make, and the way we respond to opportunities and challenges.

Summary

The Sustainability Accounting Standards Board Standards ('SASB Standards') guide the disclosure of financially material sustainability information by companies to their investors. We utilise the SASB Standards as a guide to disclose relevant sustainability-related information as it relates to our business. This disclosure relates to the year ended 31 December 2023, unless otherwise stated.

The SASB Standards identify the subset of environmental, social, and governance (ESG) issues deemed most relevant to investor decision-making in each industry. Similar to last year, we are applying the SASB standards for 'Asset Management and Custody Activities' industry (metrics with 'AC' in their code; i.e. FN-**AC**-XXX), and relevant metrics within the 'Insurance' industry (metrics with 'IN' in their code; i.e. FN-**IN**-XXX) as applicable to our Life and Wealth businesses.

This document includes responses with references to several publicly available reports and policies - these are linked to the right, as well as throughout the report where relevant.

Key documentation

[Annual Report & Accounts 2023 \(ARA\)](#)

[M&G Investments Stewardship Report 2023](#)

[PAC Annual Stewardship Report](#)

[M&G Investments ESG Investment Policy](#)

[PAC ESG Investment Policy](#)

[Whistleblowing Statement](#)

[M&G plc website](#)

[Environmental metrics - Basis of reporting 2023](#)

Code	Metric	M&G Response
Transparent Information & Fair Advice for Customers		
FN-AC-270a.1	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	<p>Of the 344 licensed employees¹ and 57 identified decision makers², none have a record of investment-related investigations, consumer-initiated complaints, private civil litigations or other regulatory proceedings.</p> <p>¹ We have interpreted 'licensed employees' to be individuals certified under the 'client dealing' function for M&G Investment Management Limited (MAGIM), M&G Alternatives Investment Management Limited (MAGAIM) and PAC in the UK. This disclosure is as at 15 February 2024 as the certification license renews annually on that date.</p> <p>² We have interpreted 'identified decision-makers' as senior manager function (SMF) position holders as at 31 December 2023.</p>
FN-AC-270a.2 FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial and insurance product related information to new and returning customers	M&G plc did not sustain any significant monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning clients in the reporting period.
FN-AC-270a.3 FN-IN-270a.4	Description of approach to informing customers about products and services	<p>We make information on our products, propositions and services available online. Details of our offerings across the different areas of our business are published on the respective pages on our website.</p> <p>For our Asset Management business, fund information is available in the M&G Investments 'Our Funds' page. This offers clients the ability to search M&G Investments funds across different categories and fund-specific information. We also provide telephony support for each of the products through the 'Contact us' page.</p> <p>For our Life business, information on each of our products is stored within the 'Products' area of the Pru website. This offers clients the ability to search for a specific product, with a brief overview of each, and links to commonly searched actions for each type of product. We have telephony support for each of our Life products, with the contact numbers listed here.</p> <p>Our Wealth business provides holistic and accessible advice to individual clients in the UK and access to our Asset Management and Life products through strong intermediary relationships. This in turn gives individuals in the UK access to our multi-asset solutions, including the PruFund range.</p> <p>Page 13 of the ARA provides information on the steps we are taking across M&G plc to meet our Consumer Duty responsibilities, including supporting our customers understanding through communication.</p>
FN-IN-270a.3	Customer retention rate	Customer retention rate is not a KPI used within our business, however, our Net Promoter Score at the end of 2023 in our Life and Wealth business was +15 (2022: +14).

Code	Metric	M&G Response
------	--------	--------------

Employee Diversity and Inclusion

FN-AC-330a.1

Percentage of (1) gender and (2) diversity group representation for:
 (a) executive management,
 (b) non-executive management,
 (c) professionals, and
 (d) all other employees

Category	Gender ¹	Diversity ²
(1) Executive management ³	37%	7%
(2) Other senior management ⁴	33%	7%
(3) Professionals ⁵	39%	13%
(4) All other employees	52%	9%

¹ Gender is defined as women
² Diversity is defined as Black, Asian and Minority Ethnic (see note below on undisclosed population)
³ Executive management – Group Executive Committee and their direct reports
⁴ Other senior management – ‘Strategic leader’ and ‘Integration leader’ grades not captured in ‘Executive Management’ grouping
⁵ Professional – ‘Manager / Expert’ grade

The above groupings of colleagues refer to our internal gradings. Employees where diversity data is undisclosed or not captured - representing 43% of total employees - are reflected as not being within a diversity group. Our HR system is configured to record ethnicity data in the UK and Ireland only. The total ‘undisclosed or not captured’ figure of 43% therefore includes a large proportion of overseas colleagues where ethnicity data has not been captured. For colleagues based in the UK and Ireland, the undisclosed figure is 18%.

We have a five-year Diversity and Inclusion (D&I) plan and governance model, with pre-defined roles for the Executive Committee and Board, alongside our D&I team, diversity forums, diversity networks and enterprise workstreams. We are aiming to achieve 40% women and 20% ethnic diversity in senior leadership (Group Executive Committee and their direct reports) by 2025. Our D&I targets keep us focused on building a positive workplace and we have initiatives throughout the talent management lifecycle, from sourcing candidates to recruitment, career progression and succession.

More detail on our D&I policies and programmes is available in the [ARA](#) on pages 50-53.

Code	Metric	M&G Response
Incorporation of Environmental, Social, and Governance factors in Investment Management		
FN-AC-410a.1	<p>Amounts of assets under management by asset class that employ:</p> <ul style="list-style-type: none"> (1) integration of ESG issues (2) sustainability themed investing; and (3) screening 	<p>ESG integration</p> <p>M&G Investments subscribes to the definition of ESG integration, endorsed by the Principles for Responsible Investment (PRI), as the explicit and systematic inclusion of ESG issues in investment analysis and investment decisions. The implementation of these principles rests on three pillars:</p> <ul style="list-style-type: none"> • Integration of ESG issues into investment research • Integration of ESG issues into investment decision-making • Portfolio construction <p>All the assets directly managed by M&G Investments (including those managed on behalf of PAC), whether or not they are held within funds with a specific ESG objective or promoting ESG characteristics, are subject to the M&G Investments ESG Investment Policy which among other things covers how we apply ESG integration. This policy does not currently cover our responsibility or M&G Investments Southern Africa (MGSA) businesses. This policy also notes some house views on exclusions which we then seek to reflect into our funds and mandates. The in-scope assets under management covered by this Policy were £298bn as at 31 December 2023.</p> <p>Sustainability themed</p> <p>We have classified a number of funds in M&G Investments’ European SICAV range as either Article 8 or Article 9.</p> <p>Article 8 designated funds, in line with the European Sustainable Finance Disclosure Regulation (SFDR), are those that promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices. M&G Investments’ Article 8 assets under management were £35.5bn as at 31 December 2023.</p> <p>Article 9 designated funds, in line with the SFDR, are those that specifically have sustainable investment as their objective. M&G Investments’ Article 9 assets under management were £1.3bn as at 31 December 2023. Both Article 8 and 9 funds are subject to the M&G Investments ESG Investment Policy as detailed above.</p> <p>Screening</p> <p>All of our article 8 and article 9 funds exclude certain investments. These cover all the exclusions covered by the M&G Investments ESG Investment Policy and additional screens are often applied as part of their strategy to achieve their promoted characteristics / sustainable investment objectives.</p>

Code	Metric	M&G Response
Incorporation of Environmental, Social, and Governance factors in Investment Management (Continued)		
FN-AC-410a.2 FN-IN-410a.2	Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies	<p>The M&G Investments ESG Investment Policy describes the approach taken to incorporate ESG for our Asset Management business (excluding MGSA and responsAbility).</p> <p>The PAC ESG Investment Policy similarly describes the approach to ESG for investments relating to all aspects of business implemented by PAC's Treasury and Investment Office. A description of how we integrate ESG into our investments for our Life and Wealth businesses more broadly is included in the ARA on page 74.</p>
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	<p>For M&G Investments, the Corporate Finance and Stewardship team is responsible for determining voting decisions and executing voting. More detail on our engagement process is available in the M&G Investments Stewardship Report.</p> <p>Further details can also be found in M&G Investments' Voting Policy and Engagement Policy.</p> <p>As an asset owner, PAC does not usually engage directly with investee companies on stewardship and sustainability issues, instead relying on appointed investment managers to do so on its behalf in line with its policies and objectives. PAC favours investment managers engaging with investee companies by utilising active ownership practices such as shareholder voting, utilising exclusions only as an action of last resort. More detail on PAC's engagement process is available in the PAC Annual Stewardship Report, available in the Stewardship section of PAC's responsible investing webpage.</p> <p>PAC's voting and engagement policies set out the PAC shareholder engagement principles and approach to shareholder voting. Further details can be found in PAC's Voting Standard and Shareholder Engagement Policy.</p>

Code	Metric	M&G Response
Financed Emissions		
FN-AC-410b.1 FN-IN-410c.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	<p>A breakdown of financed emissions can be found in the ARA within the climate-related disclosures section on pages 82-84.</p> <p>The emissions are presented by asset class, public assets (equities and corporate debt), sovereign debt and private assets (M&G Real Estate and Infracapital).</p>
FN-AC-410b.2	Total amount of assets under management (AUM) included in the financed emissions disclosure	Total AUM and corresponding coverage is included in the financed emissions disclosures found in the ARA within the climate-related disclosures section on pages 82-84.
FN-AC-410b.3 FN-IN-410c.3	Percentage of total AUM / gross exposure included in the financed emissions calculation	Coverage of our financed emissions across the asset classes we report can be found in the ARA within the climate-related disclosures section on pages 82-84.
FN-AC-410b.4 FN-IN-410c.4	Description of the methodology used to calculate financed emissions	<p>Our Environmental metrics Basis of reporting document outlines the methodologies and policies used for reporting of environmental metrics published by M&G plc, including our financed emissions.</p> <p>Our high-level methodology used to calculate financed emissions is also included in the ARA and can be found within the supplementary climate metric and modelling information on page 89.</p>

Code	Metric	M&G Response
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 did not sustain any significant 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 in the reporting period.
FN-AC-510a.2	Description of whistleblower policies and procedures	<p>Refer to our Whistleblowing Statement for further information.</p> <p>Our Whistleblowing policy includes details of the whistleblower protections we have in place across M&G plc, so that anyone who does speak out feels safe and confident in doing so.</p> <p>We encourage reporting of suspected or actual instances of wrongdoing, misconduct or unethical behaviour, which may be related to reaches of laws, rules and regulations or M&G’s Code of Conduct. All reports are taken seriously and handled in accordance with our Speak Out programme, with qualifying reports being independently and confidentially investigated and all investigations being governed by the Speak Out programme. Reports can be made anonymously where permitted under local law, and retaliation is strictly prohibited against anyone making a report in good faith. The Speak Out team report directly to the Chief People Officer.</p>

Code	Metric	M&G Response
Systemic Risk Management		
FN-IN-550a.1	Exposure to derivative instruments by category: (1) total exposure to non-centrally cleared derivatives, (2) total fair value of acceptable collateral posted with a Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	A breakdown of our exposure to derivative instruments and associated collateral can be found in the ARA within Note 32 – Risk management and sensitivity analysis on pages 320-321.
FN-IN-550a.2	Total fair value of securities lending collateral assets	<p>As at 31 December 2023, the cash and securities collateral accepted under securities lending agreements was £6,961m (2022: £5,471m).</p> <p>M&G plc derivative instruments, repurchase agreements and securities lending agreements are subject to master netting arrangements and collateral arrangements. A master netting arrangement with a counterparty creates a right of offset for amounts due to and due from that same counterparty that is enforceable in the event of a default or bankruptcy.</p> <p>Further information on securities lending transactions can be found in the ARA within Note 32 - Risk management and sensitivity analysis on pages 320-321.</p>
FN-IN-550a.3	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	Our Group Own Risk and Solvency Assessment (ORSA) is built around risk management, strategy and business planning and capital management. It covers our processes and procedures to identify, measure, manage, monitor and report short-term and long-term risks and assess the adequacy of our solvency position. The Group ORSA process is supported by subsidiary ORSA processes for our Solvency II entities and Internal Capital Adequacy and Risk Assessment (ICARA) processes for our investment firm entities.

Code	Metric	M&G Response
Activity Metrics		
FN-AC-000.A	Total assets under management (AUM)	As at 31 December 2023, our total assets under management and administration (AUMA) was £343.5bn (2022: £342.0bn).
FN-AC-000.B	Total assets under custody and supervision	Refer to the ARA for further detail, including a breakdown by business segment on pages 371-373.