

M&G ALIGNS FOUR EQUITY FUNDS WITH PARIS AGREEMENT GOALS

London, 24 June 2021 – M&G today announces the addition of a sustainable objective for the M&G Global Select and M&G Pan European Select strategies, which will align with the Paris Agreement goals on Climate Change. Evolving investment strategies to deliver more sustainable outcomes is a key part of M&G plc's ten point sustainability plan and is another step towards achieving net zero carbon emissions across its investment portfolio by 2050.

Both SICAV and OEIC versions of the strategies will include the new objective, with the SICAV funds becoming classified as SFDR Article 9. Effective from 30 July 2021 for SICAV funds, and 31 August 2021 for OEICS subject to shareholder approval, companies eligible for the two strategies' portfolios will either be:

- **Low Carbon Companies** with a weighted average carbon intensity lower than 50% of that of each Fund's respective benchmark
- **Reducing Carbon Companies** committed to having in place science-based targets to reach net zero by 2050 (SBTi)

As a result of the new focused climate approach, the overall weighted average carbon intensity of the portfolios will typically be more than 50% below that of their benchmark average. The fund manager expects that over 90% of companies in the portfolios should have science based targets in place by 2025. Climate related factors, such as companies' positive contribution to lower CO2 emissions and get to net zero, will also play a role in the stock selection.

There will be no material change to the funds' current financial objective² and investment philosophy which will continue to invest in stocks of public listed companies across sectors, combining sustainable business models with proven competitive advantages that aim to protect their profitability.

Subject to shareholder approval, the OEIC version of the M&G Pan European Select will also limit its investment universe to Continental Europe, excluding the UK, to better reflect UK clients' preferences when approaching UK and European equity investing. There will be no change to its SICAV equivalent, the M&G (Lux) Pan European Select Fund, which will continue to invest in the UK and continental Europe.

Reflecting these changes, the strategies will be renamed to M&G Global Sustain Paris Aligned and M&G European Sustain Paris Aligned Funds for the OEIC vehicles, and M&G (Lux) Global Sustain Paris Aligned and M&G (Lux) Pan European Sustain Paris Aligned Funds for their SICAV vehicles, respectively.

John William Olsen, fund manager, comments: “Climate change is arguably the greatest challenge of our time and achieving the Paris climate deal’s objectives is of foremost importance. The changes we are announcing today aim to contribute to this goal and to deliver, we will drive even greater engagement with our investee companies. Active engagement is a key feature of our investment philosophy as active managers, one crucial to achieve real positive change.”

Jack Daniels, Chief Investment Officer M&G plc, comments: “Sustainability is a core priority for M&G. As an asset owner and an asset manager we have set ourselves an ambitious agenda to ensure we meet the increasing expectations of our clients, who want to make a difference through sustainable investment while seeking attractive returns that meet their financial needs. Today’s changes are another step in this direction, building our Planet+ range of sustainable investment solutions and supporting our commitment for our entire investment portfolio to be net zero by 2050.”

ENDS

1 The SICAV funds aim to provide a higher total return (the combination of capital growth and income) than that of the global and European equity markets, respectively, over any five-year period while applying ESG Criteria and Sustainability Criteria. The OEIC funds aim to provide a higher total return (the combination of capital growth and income) than that of their respective benchmark indices, over any five-year period

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Notes to Editors

M&G’s ten point sustainability plan, [published in March 2021](#):

- Develop a pathway to net zero 2050
- Integrate ESG into investments and accelerate engagement
- Grow the Planet+ fund range
- Set standards in sustainability and ESG policies

- Set standards in disclosure and measurement
- Help customers and their advisers to understand opportunities, risks and outcomes of sustainable investing
- Lead collective action to deliver change
- Develop pathway to net zero 2030 and set an example in corporate sustainability practices
- Be diverse and inclusive in the business and as an investor
- Align all M&G's people behind its sustainability ambition

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 £367 billion of assets under management (as at 31 December 2020). M&G plc has over 5 million 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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