

## M&G (Lux) Optimal Income Fund to add ESG exclusions

**London, 22 November 2022** – M&G today announces its plan to introduce an additional set of Environmental, Social and Governance (ESG) exclusions to the M&G (Lux) Optimal Income Fund managed by Richard Woolnough. The changes align the Fund with increasing investor demand for more sustainable solutions and reflect M&G’s commitment to grow its range of ESG-enhanced, sustainably-focused and impact funds, in order to offer our customers more options for their investments.

The Fund will expand its sector-based ESG exclusions to companies involved in arctic drilling & oil sands extraction, adult entertainment, gambling and tobacco. Involvement will be determined by assessing whether companies generate revenue from the prohibited activities in excess of stated thresholds<sup>1</sup>.

Following its classification as Article 8 under the Sustainable Finance Disclosure Regulation (SFDR) last year, the Fund will maintain its positive ESG tilt and will continue to provide investors with a weighted average ESG score above that of its benchmark. The Fund’s financial investment objective and approach will be unaffected by the introduced changes.

**Micaela Forelli, Managing Director Europe at M&G**, adds: “We continue to thoroughly review our SICAV range to ensure we meet the evolving needs of our clients and to enhance the ESG characteristics of many of our strategies wherever possible, as evidenced through the increasing number classified as Article 8 and 9 under SFDR”.

The new exclusion criteria will be effective from Friday 30 June 2023, after portfolio realignment. Full details of the Fund’s updated ESG exclusions criteria, including revenue thresholds for each activity and information on good governance screens, will be made available to investors through a separate ‘ESG Criteria’ document published on the M&G website.

**ENDS**

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<sup>1</sup> The relevant thresholds will be communicated to investors in the Fund’s regulated marketing materials.

**If you require any further information, please contact:****M&G Corporate Communications**

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**Notes to editors**

M&G has transitioned several other strategies towards more ESG-enhanced, sustainably-focused and impact outcomes this year, including:

- Addition of new sustainable objectives to the M&G (Lux) Sustainable Allocation Fund to align it to SFDR Article 9 (May 2022)
- Enhancement of the ESG characteristics of multiple equity funds to transition to SFDR Article 8 (September 2022)

**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 over €405 billion of assets under management (as at 30 June 2022). M&G plc has 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/>

To find out more on the financial terms used in this press release, please go to the **glossary**.

To find more about the Fund Sustainability information please click **here**

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