

M&G Investments Voting Policy

2025



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Introduction

Scope

This policy document sets out the Voting Policy relating to M&G Group Limited ('MGG') investment and asset management businesses and activities ('M&G Investments' or 'we') excluding M&G Investments Southern Africa (MGSA) and responsAbility Investments AG. The policy generally applies where M&G Investments invests on behalf of its clients. From time to time, there will be funds or mandates M&G Investments either (i) has investment discretion but this does not include voting rights; or (ii) has delegated investment discretion to a third party, which typically includes a delegation of the voting rights but M&G Investments may have the ability to exercise the voting rights in certain circumstances.

Approach

M&G Investments' approach to stewardship is set out in our 'Annual Stewardship Report' document, available [here](#) under the 'Stewardship' tab. An active and informed voting policy is an integral part of our investment philosophy. In our view, voting should never be divorced from the underlying investment management activity. By exercising our votes, we seek both to add value to our clients and to protect our interests as shareholders. We consider the issues, meet the management if necessary, and vote accordingly.

We aim to vote on all resolutions at general meetings¹. Typically, M&G Investments votes by proxy at general meetings, but on occasion we will attend a general meeting where our clients' interests are best served by us doing so.

When considering resolutions, our starting point as an active, long-term fund manager is to support the long-term value creation of our investee companies, and there will be occasions when we need to vote against management-proposed resolutions or support shareholder resolutions which are not recommended by the board, if we believe this is in the best interest of our clients and the company. In determining our vote, a number of factors will be taken into consideration including our voting policy, company disclosures and the extent to which we have been able to obtain any additional information required to make an informed decision.

We will vote against proposals that compromise our clients' interests. We may not vote in favour of resolutions where we are unable to make an informed decision on the resolution because of poor quality disclosure, or due to an unsatisfactory response to questions raised on specific issues. We would always seek to discuss any contentious resolutions with company managements before casting our votes, in order to ensure that our objectives are understood.

Any shares on loan may be recalled whenever there is a vote on any issue affecting the value of shares held, or any issue deemed to be material to the interests of our clients.

We disclose our voting records on our website on a quarterly basis, available [here](#).

Policy Guidelines

These voting policy guidelines set out our expectations across the range of shareholder issues and indicate our voting stance on them. Our approach, founded in UK corporate governance best practice and investment stewardship, is similar across international markets, where we expect investee companies to be sustainable and successful in the long-term through a balance of strong leadership and accountability.

¹ However, a fund may refrain from voting some or all of its shares if doing so is in the interest of the fund, e.g. if exercising the vote would result in the imposition of trading restrictions ('blocking').

Ultimately, every proposal will be evaluated on its merits, based on circumstances relevant to each individual company. High-level principles guide our voting policy guidelines, but company-specific factors are always considered.

Voting Implementation

Our preference is to either vote 'For' a resolution or 'Against' it. On some occasions, where we have concerns and/or information is lacking, we may 'Abstain'. Investee company policies, arrangements and disclosures that fall short of our voting guidelines and the standards of the local market will typically be voted against. Policies, arrangements and disclosure that fall short of our voting policies, but which reflect usual practice in the local market, may be supported. We may abstain on proposals that do not meet our expectations, but where the company has made changes or has promised changes that significantly improve the position; or where we have not had sufficient opportunity to discuss our concerns.

M&G Investments uses the services of research providers to flag issues of concern and inform our decision-making. We will also consult with other shareholders, where relevant, through collaborative vehicles such as Climate Action 100+ and the Investor Forum.

Under the Shareholder Rights Directive II, M&G Investments is required to report on its stewardship activities, including proxy voting and the identification of significant votes. For reporting purposes we have therefore determined our own definition of significant votes, following internal discussion and consideration of external guidance.

Policy

Remuneration

M&G Investments' voting policy on remuneration is contained within a separate document entitled 'Remuneration Guidelines for UK investee Companies' available [here](#) under the 'Stewardship' tab.

Shareholder Meetings/ Articles/ Constitution/ Bye Laws

Shareholder meetings provide an important opportunity for shareholders to hold directors to account; and for shareholders to express their views on strategy, corporate governance and corporate social responsibility matters.

Changes to the Articles / Constitution of a company should be examined regarding the need for the company to continue operating efficiently and effectively, while respecting and maintaining rights and protections provided to shareholders. The powers granted to directors should not be excessive and the ability of shareholders to hold directors to account should be sufficient. In principle, all shareholders are equal, and companies should not issue share classes enshrining differing rights.

Issue	Comment	Voting
Shareholder meetings	Shareholder meeting attendance is a basic shareholder right and requirements for entry should not be overly burdensome, although with due regard to necessary security.	We will oppose changes to the Articles / Constitution which unnecessarily restrict shareholder participation in shareholder meetings.
Virtual meetings	In our view, the use of a virtual channel, alongside a physical meeting, to increase participation would be positive. We have reservations with regard to virtual-only meetings; and companies should set out clearly how full and proper participation would be ensured.	We will support amendments to a company's constitution/articles that provide for hybrid meetings and oppose provision for virtual-only meetings, unless an appropriate annual authority is obtained from shareholders.
Right to call meetings	We support shareholders' rights to call special meetings of the company where an appropriate minimum ownership threshold is in place.	We will generally support proposals to grant these rights to shareholders and against proposals to limit them.
Restricted voting rights shares	We are not in favour of share classes with differing voting rights.	We will typically oppose the creation of classes of share capital with differential voting shares.
Supermajority vote requirements / special resolutions	In principle, voting by a simple majority is the most appropriate basis for shareholders to pass resolutions. However, resolutions requiring a supermajority (e.g. special resolutions in the UK) often serve	In principle, we are supportive of protecting shareholder rights; and opposed to use of supermajority requirements that are not in shareholders' interests.

Issue	Comment	Voting
	<p>to protect shareholder rights and are enshrined in law.</p> <p>We also recognise that a supermajority requirement may also serve to entrench the status quo and obstruct change that would be in shareholders' interests.</p>	
Shareholder resolutions (including proxy access requests)	Shareholders should have the right to propose resolutions at general meetings with an appropriate shareholding hurdle specified. The hurdle may be specified in company law.	We will support proposals that ensure shareholders are able to propose resolutions appropriately.
Bundled resolutions	Proposals seeking authority for more than one action or authority lack proper accountability, denying shareholders the opportunity to consider issues separately.	We will consider opposing bundled resolutions, taking into account any potential detrimental effect on the company's ability to operate.
Requirement for directors to be re-elected by shareholders	<p>Methods and standards for electing directors can vary throughout the world. In our view, directors should seek re-election regularly and preferably annually. Election should require support from greater than 50% of the votes cast.</p> <p>Accountability to shareholders through re-election will influence our deliberations of other management proposals.</p> <p>'Bundled' resolutions, where the re-election of directors is contained within a single resolution (thereby reducing the accountability of individual directors).</p> <p>Directors who fail to receive majority support on an election resolution should leave the board.</p>	<p>We will support proposals that ensure all directors stand for election every year (or proposals that move towards this position); and oppose proposals that reduce accountability to shareholders.</p> <p>Standard practice in local markets will be taken into consideration.</p> <p>We will consider opposing bundled resolutions</p> <p>Local legal requirements will be considered.</p> <p>We will look to oppose the chair of the governance committee when a board allows directors who have not received majority support to remain on the board, or when such is not a requirement of the director resignation policy.</p>

Issue	Comment	Voting
Alternate directors	<p>Inclusion of alternate directors within a company's constitution is usually considered a concern, due to alternate directors' lack of accountability</p> <p>In Japan, alternate directors are a regular feature of corporate governance and are important, as directors can only be appointed through a shareholder meeting. Therefore, not having alternates may disrupt the functioning of a board and be detrimental to shareholders.</p>	We will typically oppose the creation of alternate director positions except in Japan
Takeovers/schemes of arrangement	Investment analysis will determine the voting decision.	We consider each resolution on its merits.
Shareholder rights plans	<p>These supposedly aim to protect the company for a limited period of time when a new significant shareholder has objectives that may or may not benefit all shareholders on the register. While purporting to be in shareholders' interests, in our view they are often designed to entrench management.</p>	<p>We will oppose arrangements that significantly disadvantage shareholders.</p> <p>Proposals are analysed on a case-by-case basis from a sceptical point of view. We are generally unsupportive unless convincing arguments are provided.</p>
Written consent powers	<p>Shareholders in US companies may have the power to act by written consent; or may seek the power to act by written consent.</p> <p>The managements of US companies may use powers previously granted by written consent instead of seeking shareholder approval at a shareholder meeting.</p> <p>We believe that written consent undermines shareholder democracy and our preference is for proposals to be considered and decided through general shareholder meetings.</p>	We will generally oppose adoption of written consent powers.
Borrowing limits contained with Articles/Constitution	Companies should have an appropriate borrowing limit set out in their Articles/Constitution.	We will consider opposing a change that would exceed two times shareholders' capital and reserves.
Adopting the jurisdiction of incorporation as the exclusive forum for certain disputes	The aim is to reduce the cost and / or distraction of protecting the company from lawsuits across multiple territories, which are typically triggered after M&A. This is typically in shareholders' interests, but does modestly reduce shareholder rights.	<p>We will support proposals where the company has a history of improving shareholder rights.</p> <p>Proposals will be analysed on a case-by-case basis while considering the company's history of lawsuits and other changes to shareholder rights.</p>

Issue	Comment	Voting
Fiscal Councils (Brazil)	Under the Brazilian Corporations Law, the fiscal council is a corporate body independent from a company's management and independent auditors. Its primary responsibility is to oversee management's activities, analyse the company's financial statements and report its findings to shareholders.	We will typically vote in favour.

Share Capital and Listing Status

In our view, corporate equity structures should consist of voting shares with equivalent rights. Potential dilution resulting from share issuance is closely monitored. In principle, M&G Investments expects all shareholders to be given pre-emption rights as a matter of fairness and preventing the potential transfer of wealth to third parties.

Issue	Comment	Voting
Share issuance (pro-rata)	<p>Authorities to issue an amount not exceeding two thirds of issued share capital on a pre-emptive basis are generally acceptable where directors are appropriately accountable. Particular circumstances may justify a higher amount, but a full explanation would need to be provided.</p>	We will typically oppose where the amount exceeds two thirds and where accountability and justification is inadequate.
Share issuance without pre-emption rights	<p>We consider the right of first refusal in respect of new share issuance to be essential for existing shareholders. However, it is recognised that companies need some flexibility to issuance with those shares first being offered to shareholders pro-rata.</p> <p>In such circumstances, in the UK, authorities should not exceed 10% plus 2% follow-on of issued share capital for listed companies, unless the issue is for an acquisition or a capital investment, in which case a second 10% plus 2% follow-on is acceptable.</p> <p>In both circumstances we expect soft pre-emption to be offered to existing shareholders, in line with the Pre-Emption Group's principles.</p> <p>For companies listed outside the UK the authorities should not exceed 10%.</p> <p>Higher amounts should be justified, and this may take into account typical practice in the market where the company is listed.</p>	Amounts that breach our limits or with a discount of more than 5%, will typically be opposed without exceptional justification.
Issuing shares from treasury	Issuance of treasury shares should be treated as new shares and included in the limits above.	Amounts higher than these limits will typically be opposed without exceptional justification.
Investment Trust treasury shares issuance	Generally, treasury shares should only be issued at a price greater than Net Asset Value (NAV). However, we consider supporting resolutions where the issue price is above that at which they were purchased, the discount to NAV is no greater than 1% and the dilution equals no more than 0.5%.	We will typically oppose issuances that do not meet our limits criteria.

Issue	Comment	Voting
Return of capital	<p>All shareholders must be treated equally.</p> <p>Dividends are generally preferred to buy-backs.</p> <p>Share repurchase amount should not exceed 15%. Account will be taken of the potential effect on significant shareholdings. UK share repurchase authorities should state a 5% premium price limit, while non-UK should have a 10% limit. Consideration should be given to the wider context, including opportunity on price and appropriate use of capital. Our preference is for companies not to have a significant number of shares held in treasury.</p> <p>Issuance of B and C shares should provide shareholders the option of capital return by income or capital.</p>	<p>We will typically support authorities to make share repurchases.</p> <p>In the UK, shareholder authority should be obtained through passing a special resolution; and the duration should not exceed one year.</p> <p>We will consider opposing if the number of shares held in treasury is excessive and the company has a history of issuing treasury shares in contravention of pre-emption rights.</p> <p>We typically support returns of capital via the issuance of redeemable shares.</p>
Shareholder control and waivers from mandatory bids resulting from increased shareholding level after share repurchases.	<p>A shareholder should not gain control or increase control as a result of share repurchases.</p> <p>Waivers that may result in a controlling shareholder or concert party increasing their shareholding between 40% and 50% are of particular concern.</p>	<p>We would look on a case-by-case basis, but typically we would oppose Rule 9 waivers and international equivalents where the effect of share repurchases affect control or approach controlling levels.</p>
Convertible Contingent Liability Instruments (Cocos)	<p>Despite the disapplication of pre-emption rights and potentially significant dilution for existing shareholders, we are mindful of the regulatory requirement for tier 1 capital for companies in the financial services sector, and will therefore support these types of resolutions.</p>	

Directors and Board Structure

Directors are responsible for controlling and directing the company in the interests of all shareholders. Boards are expected to be effective and accountable. Directors should not be beholden to any other director for their position on the board and should be able to freely express their opinions. Boards should be comprised of an appropriate balance of executives and independent directors. The roles of chair and chief executive should be separate. When the roles are combined there must be strong independent non-executive representation.

Directors should have meaningful shareholdings to promote alignment with shareholders generally.

Boards should regularly consider the issue of gender and ethnic diversity in respect of board composition and the employee population.

It is important when considering the board and individual directors for re-election that full and complete biographical information be disclosed to shareholders.

We do not vote against the election or re-election of directors lightly and recognise the potential negative effects on the board and the company of removing a director at a general shareholder meeting.

Issue	Comment	Voting
Board structure	<p>Board structures vary significantly across the world and between larger and smaller companies. While we respect differing approaches to corporate governance in different markets, we will use our influence as shareholders to encourage boards to function effectively with appropriate accountability to shareholders and other stakeholders.</p> <p>In our view, strong leadership is required to further a company's success, and independent directors are needed both to oversee and advise corporate leaders; and to protect the interests of shareholders and other stakeholders.</p> <p>The responsibility for ensuring the effectiveness of the board in its multi-faceted collective role lies with the chair, who should ensure that diversity in knowledge, background and gender is harnessed for a board's efficacy.</p> <p>Board evaluations, succession planning and director training are all vital aspects of an effective board and should be demonstrated through appropriate disclosure to shareholders.</p>	<p>We may consider it appropriate to oppose the re-election of the board chair or the nomination committee chair where we have concerns over board composition, succession planning or any other aspect of corporate governance; in particular, when a non-executive has not been appointed within the last five years.</p> <p>We may oppose the re-election of a non-executive director who is not regarded as independent if there are insufficient independent directors on the board.</p>
Board diversity	<p>We believe that an investee company board of directors with gender balance and minority ethnic representation, that encompasses a diverse range of backgrounds, skills and experience, provides</p>	<p>We may consider it appropriate to oppose the re-election of the board chair or the nomination committee chair where we have concerns over board</p>

Issue	Comment	Voting
	<p>a balanced input into long-term strategic decisions.</p> <p>We, therefore, have set an ambition for our investee companies to have board gender equality by 2027.</p> <p>Our expectations on pathways to get there differ between large and small companies and across geographies. In our view, companies should disclose sufficient information and proposed plans on diversity to enable shareholders to make an informed judgement on progress.</p> <p>To provide context for investee companies, we set out our minimum expectation for board diversity globally, on a regional basis:</p> <ul style="list-style-type: none"> • For companies listed in the UK (FTSE 350), Europe, North America and Australia, the minimum expectation is for boards to be at least 33% female, progressing to 40% and have a pathway of how to get to gender equality by 2027. • For UK small and AIM-listed companies, the minimum expectation is for boards to be 25% female, and have a pathway of how to get to gender equality by 2027. • For the rest of the world, including emerging markets, the minimum expectation is 10% female, and have a pathway of how to get to gender equality by 2027. • Diversity is not just about gender, and our minimum expectation is for FTSE350 companies is to have at least one board director from an ethnic minority. <p>We also expect progression in gender equality among senior management below board level.</p>	<p>composition in regard to diversity.</p>
Board chair	<p>The chair is responsible for the effective and efficient functioning of the board. Our strong preference is that the chief executive does not become chair of the company.</p> <p>No more than two large company chair positions should be held.</p>	<p>Concerns about the chair would usually be discussed with the senior independent director.</p> <p>We will consider opposing the vote for a chief executive to become chair without justification.</p>

Issue	Comment	Voting
Chief executive	<p>The chief executive's focus should be on developing the corporate strategy for board approval and implementing it.</p> <p>Chief executives should sit on no more than one external board.</p> <p>In respect of Japanese holdings in particular, we look to the chief executive to ensure that return on equity is not undermined by inefficient capital structures.</p>	<p>Concerns about the chief executive, corporate strategy or performance would typically be expressed in discussions with the chair, rather than through voting, depending on the size of our holding.</p>
Combined chair and chief executive	<p>Our preference is for the positions of chair and chief executive to be separate.</p> <p>When the roles are combined, we expect the power of the position to be counterbalanced on the board by a number of strong independent directors with one of their number designated as a senior or lead independent director. The composition and remit of the nomination committee should reflect the importance of ensuring the power is not concentrated in one individual.</p>	<p>Despite our reservations over the combined role, it is rarely in shareholders' interests to oppose the re-election of an individual to the position. Our voting will therefore reflect our desire for the composition of the board to be appropriate with the presence of sufficient independence.</p>
Chief financial officer	<p>The chief financial officer should be a board member; and should not have formerly been the company's auditor, unless there has been a suitable 'cleansing' period.</p>	<p>We will consider opposing or abstaining on re-election when connected with a company's auditor.</p> <p>Typically, we prefer that the chief financial officer does not become chief executive unless there has been a robust succession planning process.</p>
Executive directors	<p>Certain executive directors, in particular the chief financial officer, should have a place on the board to balance the views of the chief executive.</p> <p>This is not always the case in international markets, but should be encouraged.</p>	<p>Unless we have specific concerns, we will typically vote in favour of executive director election/re-election.</p>
Non-executive directors (NEDs)/ Outside directors	<p>Along with the chair, non-executives are expected to provide oversight of companies' management together with advice and support. The majority of non-executive directors should be independent (see independence criteria below)</p> <p>If non-executive directors hold more than four non-executive directorships, then they need to justify that they have sufficient time</p>	<p>We will consider opposing the election/re-election where we have concerns over independence (see below) or meeting attendance.</p> <p>We will consider abstaining if insufficient biographical information is provided.</p> <p>We may consider it appropriate to oppose the re-election of the</p>

Issue	Comment	Voting
	to fulfil their fiduciary duties (see multiple directorships above).	board chair or the nomination committee chair where a non-executive has not been appointed within the last five years.
	It is particularly important that sufficient biographical information is disclosed to shareholders.	
	Board refreshment should be under regular review.	

<i>Independence criteria</i>	<i>We consider a non-executive's independence to be impacted if he/she:</i>	
<i>Former employee</i>	has been an employee of the company or group within the last five years;	
<i>Business/financial relationship</i>	has, or has had within the last three years, a material business or financial relationship with the company either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company;	
<i>Remuneration</i>	has received or receives additional remuneration from the company apart from a director's fee, participates in the company's share option or a performance-related pay scheme, or is a member of the company's pension scheme;	
<i>Family</i>	has close family ties with any advisers, directors or senior employees of the company or its customers, suppliers, major shareholders, or other organisations that have received payments from the company;	
<i>Cross-relationships</i>	holds cross-directorships or has significant links with other directors through involvement in other companies or bodies;	
<i>Significant shareholder</i>	represents, personally owns or is a member of a concert party that controls 3% or more of the voting capital; or	
<i>Tenure</i>	has served on the board for more than nine years from the date of their first election.	

Issue	Comment	Voting
Board committee chair	<p>The chairs of the board committees should be independent non-executive directors, with the exception of the nomination committee where it is usually appropriate for the board chair to hold the position.</p> <p>Committee chairpersons should have served on the board for a</p>	Where we have concerns over issues for which a board committee has responsibility, we will consider opposing or abstaining on the re-election of the respective committee's chair.

Issue	Comment	Voting
	minimum of two years before becoming a committee chair.	
Board committees	Board committees, in particular audit and remuneration committees, should be established with clear terms of reference, the ability to obtain information and advice as necessary and membership that allows them to properly fulfil their duties independently of management.	Where we have concerns over the ability of a board committee to function in the best interests of shareholders, we will consider opposing the re-election of committee member. Nomination committee chairs may be opposed when we have concerns over board diversity (see above)
Honorary presidents and senior advisors at Japanese companies (Soudanyaku)	Positions within a corporate governance structure should be through merit with appropriate accountability and oversight. In our view, it is inappropriate for former executives to retain unaccountable positions of influence and power.	We will not support the creation of positions of influence and power that are not subject to proper accountability.
Meeting attendance	Attendance at board and committee meetings is central to the role of a director. Companies are encouraged to disclose attendance information.	We will consider opposing or abstaining on a director's re-election if meeting attendance is poor.
Multiple directorships	Directors should have sufficient time to devote to their responsibilities, taking into account potential periods of time of unexpected corporate difficulty.	We will consider opposing or abstaining on directors who do not appear able to devote sufficient time to the role, indicated by, for example, poor attendance at board meetings.
Alternate directors	Alternate directors lack accountability to shareholders. However, in Japan, alternate directors are a regular feature of corporate governance and are a necessity to avoid breaching certain regulations, as directors can only be appointed through a shareholder meeting. Not having alternates may disrupt the functioning of a board and be detrimental to shareholders.	With the exception of Japan, we will typically oppose the election of alternate directors (other than in exceptional circumstances).
Employee representative directors	Employee directors are a corporate governance feature in some countries. In principle, we believe that directors should work for the	We will consider opposing shareholder resolutions for the appointment of employee directors without a positive board recommendation, unless we have

Issue	Comment	Voting
	benefit of all shareholder and stakeholders.	concerns over employee engagement. In countries where employee directors are a requirement or common practice, we will typically support uncontroversial candidates.
Director shareholdings	All executive and non-executive directors should build a meaningful shareholding in the company in order to help align directors' and shareholders' interests.	We will consider opposing or abstaining on the election/re-election of directors who do not have meaningful shareholdings after a reasonable time on the board.
Pledging	<p>We do not support the pledging of company stock by directors or executives as loan collateral, where the shares involved form a portion of the shareholding requirement, unless it is for a small amount (less than 10% of their holding), the shares are fully granted and their disposal is not restricted in any way.</p> <p>The practice of significant pledging of company stock will be considered as a factor when assessing the re-election of relevant directors.</p>	We will consider opposing or abstaining on the election/re-election of directors who pledge or hedge shareholdings.
Hedging	Potential falls in the value of vested or unvested shareholdings should not be hedged through the use of put options or any other instrument.	(See pledging above)
Early crystallisation of unvested incentive awards	Early crystallisation of unvested incentive awards through third party agreements is not acceptable.	

Audit and Accountability

Company auditors should in principle be independent of company boards and directors. Independence may be compromised by the fees they receive.

Companies should demonstrate through disclosures to shareholders and other stakeholders that all the risks facing the company have been identified and assessed; and that effective governance and management structures are in place in relation to them.

Issue	Comment	Voting
Auditor re-appointment	Auditor independence should be maintained through regular change in the audit partner and in the auditing firm.	We will typically oppose when audit firm tenure exceeds 20 years.
Auditor remuneration	<p>Non-audit fees should not compromise the auditor's independence – we would expect non-audit fees to be no more than the audit fee plus related items.</p> <p>Full disclosure of the auditor's remuneration, including a breakdown of non-audit fees, should be provided in the annual report.</p>	We will consider opposing the re-appointment of the auditor when independence is compromised by the level of non-audit fees.
Risk identification and management	<p>Risks, and in particular cyber risks, should be identified and effectively managed.</p> <p>When incidents occur, companies should look to be transparent and report to shareholders relevant facts and actions taken.</p>	We may consider not supporting the approval of the annual report and accounts when disclosures to shareholders are inadequate.

Environmental and Social Issues

Companies are expected to demonstrate that their operations take proper account of all applicable laws and regulations. Environmental and social issues should form an integral part of long-term planning and decision-making to ensure that non-financial risks are identified and contingencies are put in place.

We encourage companies to regularly publish sustainability or corporate social responsibility reports and to seek shareholder approval of them.

Shareholder resolutions relating to environmental and social issues that seek greater disclosure, operational reviews, changes in strategy, et al will be considered on their merits, taking into account companies' existing practices and boards' recommendations.

Issue	Comment	Voting
Disclosures	Companies should demonstrate consideration and management of environmental and social issues by making appropriate disclosures.	We will consider abstaining on the annual report or appropriate board committee member when inadequate disclosures have been made.
Proposed changes in corporate strategy	Shareholder resolutions relating to changes in strategy are usually inappropriate, as it is for the chief executive to determine strategy with board approval.	We will usually oppose resolutions forcing changes in strategy that are not supported by the board.
Sustainability reports	We believe that better sustainability-related disclosure would be positive for shareholders.	We will generally vote in favour of these resolutions.
Lobbying activities report	We believe that better disclosure would help shareholders understand the company's use of shareholder funds.	We will generally vote in favour of these resolutions.
Appointment of director with environmental expertise	It is the responsibility of the nomination committee to ensure that requisite environmental experience is represented on a board. All directors should have an appropriate awareness of the material social and environmental risks facing the company. Specialist expertise may be appropriate.	We will consider the board's range of skills and expertise and may vote in favour if we believe it to be in shareholders' interests.
Environmental targets (also see climate targets below)	Companies are expected to set appropriate targets to manage environmental impacts and risks.	We will consider resolutions to set environmental targets on a case-by-case basis.
Charitable donations	Generally, charitable donations should not be made with shareholders' funds. Small amounts are acceptable with shareholder approval specifying a maximum amount.	We will consider opposing resolutions authorising charitable donations.

Issue	Comment	Voting
Political donations	All political donations should be subject to a specific vote by shareholders; and when donations are made, full disclosure should be provided.	We will typically oppose resolutions authorising political donations.
Employee issues	Companies should be able and willing to demonstrate that issues such as diversity & inclusion and gender and disability pay-gaps are pro-actively considered.	We will support resolutions that positively impact employment policies and practices for the benefit of stakeholders when our expectations have not been met.
Business practices and social impacts	We expect companies to foster beneficial relationships with suppliers and conduct business in the long-term interests of the company. Companies should fully consider the impact that their operations, products and services will have on societies.	We will consider resolutions relating to various business practice issues and social impacts on a case-by-case basis.
Environmental and social shareholder proposals	<p>Shareholder proposals cover a wide range of topics and, while we take a case-by-case approach, we are typically supportive of proposals asking for the following:</p> <ul style="list-style-type: none"> • Gender/racial pay gap reports • Labour practices in line with ILO's international labour standards • ESG-metrics in executive incentive schemes • Chief executive pay ratio disclosures • Racial equity audits • Water risk management reports • Drug and vaccine pricing disclosures • Plastic pollution reduction targets and related disclosures • Human rights and supply chain risk management reports • Use of mandatory arbitration 	

Issue	Comment	Voting
	<ul style="list-style-type: none">• Report on indigenous people’s rights and obtainment of Free and Informed Prior Consent (FPIC)• Report on animal welfare and husbandry practices• Biodiversity-related impacts, dependencies, risks and opportunities disclosures	

Climate change

Limiting temperature rises in line with the commitments made through the Paris Accord to well below 2 °C and pursuing 1.5 °C above pre-industrial levels is among the most urgent challenges facing global economies and societies. We support efforts we believe will help achieve that goal.

We expect companies, particularly those with high-impact operations, to establish targets and metrics that clearly demonstrate commitment to align with the Paris goals. We also expect effective governance and disclosures on implementation strategies within financial reports and accounts.

We systematically engage with high-emitting investee companies, both bilaterally and collectively, on issues related to climate change, and will use our vote on shareholder resolutions, director elections and other resolutions as a lever for change and accountability. We define high-emitting companies as those on M&G Investments' Hot 100 list, the Climate Action 100+ focus list or the NZEI watchlist, or other companies which we consider to be high emitting companies.

Issue	Comment	Voting
Climate disclosures	We expect all companies as a minimum to report climate risks, strategy, policies and performance against an appropriate framework; e.g. Taskforce on Climate-Related Financial Disclosures (TCFD).	We will consider voting against the appropriate board committee member when inadequate disclosures have been made.
Climate transition plan	<p>For high-emitting companies we expect a company to disclose a credible transition plan. We have developed a Net Zero Investment Framework which sets out our transition plan expectations to include:</p> <ul style="list-style-type: none"> • An ambition to achieve net zero greenhouse gas (GHG) emissions by 2050 (or sooner) • Clear near and long-term GHG reduction targets or goals in place, covering all material scope 1, 2 and 3 GHG emissions and aligned to the goals of the Paris Agreement, and preferably for targets to be verified by the Science Based Targets initiative (SBTi) or an equivalent standard • A robust decarbonisation strategy outlining clear actions to deliver targets • An assessment that a company's capital expenditure plan is credible. 	We will consider voting against the appropriate board committee member when inadequate disclosures have been made.
Governance	For high-emitting companies – whether over the short, medium or long term – we expect boards to ensure effective strategic and operational climate-related oversight.	Where we believe climate change is not effectively addressed at board level, we will consider voting against directors.

Issue	Comment	Voting
Climate-specific remuneration	For high-emitting companies that are exposed to significant risks if they fail to address their impacts on climate change should incentivise their directors to deliver on environmental targets.	Where relative incentives are not in place, we may consider voting against the remuneration policy, report and/or the chair of the remuneration committee.
Deforestation (also see biodiversity below)	We expect companies that have high exposure to deforestation-risk commodities (namely palm oil, soy, beef, timber, paper and pulp) to take action to address risks within their operations and supply chains, and have a commitment to zero deforestation.	<p>We will consider voting against directors at companies where we feel inadequate policies are in place to reduce their impact.</p> <p>Assessment of the quality of mitigating actions are based on external benchmarks, such as the Forest500 benchmark.</p>
Climate-related resolutions	This represents a range of climate-focused resolutions, including 'Say on Climate' proposals by the board and shareholder resolutions, which generally ask companies to publish a climate action plan and to put it to a regular shareholder vote, or for improved disclosure.	<p>We consider all climate-related resolutions on their merits. For management 'Say on Climate' votes we will vote against plans where they do not align to our Net Zero Investment Framework transition plan expectations.</p> <p>We look at each shareholder resolution on a case-by-case basis.</p> <p>We typically will not support prescriptive shareholder resolutions, unless these are to increase disclosure that is relevant to the investment case.</p> <p>We will also consider co-filing shareholder resolutions on the same basis.</p>
Biodiversity	<p>We believe all companies across all sectors and geographies need to operate in a manner that is consistent with the principles of a circular economy, while promoting sustainable life on land and water.</p> <p>Overall, we expect companies to reduce their negative impact on nature and take this into consideration from their corporate purpose & vision, through to their day-to-day operations.</p> <p>We expect all companies in high impact sectors to develop biodiversity action plans, taking into account emerging best-practice guidance.</p>	<p>For high impact sectors where we have concerns with a company's approach to biodiversity, or a lack of biodiversity policies and targets, we will consider voting against directors.</p> <p>We will consider supporting shareholder proposals relating to addressing biodiversity concerns when we hold similar views.</p>

