



LEA 02	Disclosure: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's internal ESG issues</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's internal ESG issues</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decision-making in & company's internal ESG issues</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decision-making in & company's internal ESG issues</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>		

RI TRANSPARENCY REPORT

2014/15

M&G Investments

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Private							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	🔒	n/a	✓						
LEI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
LEI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	-	n/a		✓					
LEA 14	Examples of ESG engagements	-	n/a		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	-	n/a		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	-	n/a		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	✓	Public	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Private	✓						
FI 06	Types of screening applied	🔒	n/a	✓						
FI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
FI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	✓	Private	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
FI 19	Engagement with corporate issuers	✓	Private		✓					
FI 20	Engagement with government issuers	✓	Private		✓					

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments by equity and debt	✓	Private							✓
PR 02	Breakdown of assets by management	✓	Private							✓
PR 03	Largest property types	✓	Private							✓
PR 04	Description of approach to RI	✓	Private	✓						✓
PR 05	Responsible Property Investment (RPI) policy	✓	Public	✓						✓
PR 06	Fund placement documents and RI	✓	Public	✓			✓			✓
PR 07	Formal commitments to RI	✓	Private				✓			
PR 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 09	ESG advice and research when selecting investments	✓	Private	✓			✓			
PR 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
PR 11	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 12	ESG issues impact in selection process	✓	Private	✓						
PR 13	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 14	ESG issues in post-investment activities	✓	Public		✓					
PR 15	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 16	Certification schemes, ratings and benchmarks	✓	Private		✓					
PR 17	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 18	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 19	Proportion of green leases or MOUs referencing ESG issues	✓	Private		✓					
PR 20	Proportion of assets engaged with on community issues	✓	Private		✓					
PR 21	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 22	Examples of ESG issues that affected your property investments	✓	Private	✓		✓				
PR 23	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓

M&G Investments

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 02	Mandatory	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

United Kingdom

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

1637

OO 02.4 Additional information. [Optional]

Staff in organisation as at 31 December 2014

OO 03	Mandatory	Descriptive	General
-------	-----------	-------------	---------

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 03.3

Additional information. [Optional]

M&G Real Estate, which was previously a signatory in its own right, now responds as part of this M&G Investments response.

OO 04

Mandatory

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2014

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		263	997	000	000
Currency	GBP				
Assets in USD		436	541	985	416

OO 04.5

Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	24.25	0
Fixed income – corporate	33.68	0
Fixed income – government	18.96	0

Fixed income – other	0	0
Private debt	8.1	0
Private equity	0	0
Property	8.11	0
Infrastructure	1.15	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	5.75	0
Other (1), specify	0	0
Other (2), specify	0	0

Publish our asset class mix as broad ranges

Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

OO 11	Mandatory	Gateway	General
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OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Private debt
- Property
- Infrastructure
- Cash
- Other (1)
- None of the above

OO 12**Mandatory****Gateway****General****OO 12.1**

The modules and sections that you will be required to complete are listed below.

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed Income - Corporate
- Fixed Income - Government

Direct - Other asset classes with dedicated modules

- Property
- Infrastructure

Closing module

Closing module

M&G Investments

Reported Information

Public version

Overarching Approach

PRI disclaimer

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1 Indicate if you have a responsible investment policy.

- Yes
- No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
- No

OA 01.3 Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

M&G has an overarching responsible investment policy that applies across all asset classes. This policy outlines our firm-wide approach to responsible investment as well as high level information for each of the main asset classes. M&G incorporates ESG issues into our investment analysis wherever they are likely to have a meaningful impact on risk or return. We are a long term investor and ESG issues often impact over the longer term, so analysis of ESG issues is an essential part of our investment process. M&G has a particular interest in promoting strong governance and disclosure practices.

As a significant holder of UK financial assets, M&G aims to engage with UK corporates in order to seek positive change to ESG practices. We also engage with corporates in other markets, however, we recognise that our ability to effect change may be limited in markets where our financial holdings and influence is less significant. M&G is one of the largest asset managers in the UK and also has significant scale in continental Europe - as such we engage frequently with UK public policy makers and increasingly with EU institutions on ESG issues.

Overall responsibility for the governance and management of responsible investment activities lies with the M&G Responsible Investment Advisory Committee (RIAC). Committee members include a representative for each business unit involved in investment management as well as from the distribution teams. The committee is co-chaired by two members of M&G's board. The remit of the committee includes approving responsible investment objectives and policies and monitoring their implementation across M&G. The details of how M&G's broad responsible investment policies are implemented in different asset classes are outlined in supplementary asset class documents. M&G also has policies that deal with specific responsible investment issues. (e.g. cluster munitions policy, conflict of interest policy.)

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1 Indicate if your responsible investment policy is publicly available.

- Yes

OA 02.2 Provide a URL to your responsible investment policy.

URL

<http://www.mandg.co.uk/-/media/Literature/UK/Corporate/MandGs-approach-to-responsible-investment.pdf>

No

OA 02.3 Indicate if your other policies or guidance documents related to responsible investment are publicly available.

Yes

Yes, all

Yes, some

OA 02.4 List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Issues Arising from Share Ownership	http://www.mandg.co.uk/-/media/Literature/UK/Corporate/MandG-Issues-Arising-From-Share-ownership.pdf
Responsible Property Investment Policy	http://www.mandg.co.uk/-/media/Literature/UK/Real%20estate%20publications/Policies/RPI-Policy.pdf
Real Estate Environmental Policy Statement	http://www.mandg.co.uk/-/media/Literature/UK/Real%20estate%20publications/Policies/PRUPIM-Environmental-Policy-Statement.pdf
Real Estate Timber Policy	http://www.mandg.co.uk/-/media/Literature/UK/Real%20estate%20publications/Policies/PRUPIM-Timber-Policy.pdf
Extract from Cluster Munitions Policy	http://www.mandg.co.uk/corporate/about-mg/investment-philosophy/responsible-investment/

No

OA 02.5 Additional information. [Optional]

Our full Cluster Munitions Policy, Conflicts of Interest Disclosure Statement, Leveraged Finance ESG Policy Document and Real Estate Debt ESG Guiding Principles are available to clients on request.

OA 03 **Mandatory** **Core Assessed** **PRI 1,2**

OA 03.1

Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2

Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]

With regards to 'screening/exclusion policy' M&G does not employ screening/exclusion policies other than as part of our cluster munitions exclusion policy and for certain segregated mandates at the request of the client.

Although environmental and social factors are considered in our firm-wide responsible investment policy, specific guidelines for environmental and social issues are only contained in our policies for Leveraged Finance and M&G Real Estate.

OA 04

Mandatory

Core Assessed

General

OA 04.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

OA 04.2

Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

M&G's conflict of interest policy provides guidance for employees on how to identify and manage different types of conflicts that may arise in the course of our business. The overarching principles of the policy include, adopting the highest standards of integrity and ethical conduct at all times, avoiding conflict situations where possible, and managing conflicts in a consistent and transparent manner when they occur.

The policy outlines the responsibilities of management and of individual employees in preventing and managing conflicts, and contains various procedures for avoiding conflicts and dealing with conflicts when they occur. Accountability, disclosure and awareness of potential conflicts are emphasised and staff are required to attend periodic training to ensure that a clear understanding of the policy and procedures is maintained.

No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1 Indicate if your organisation sets objectives for its responsible investment activities.

- Yes

OA 05.2 Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
 Less than once per year

OA 05.3 Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
 Biannually
 Annually
 Every two years or less
 It is not reviewed

 No

OA 05.4 Additional information. [Optional]

Suggestions for responsible investment objectives are primarily sourced from the investment teams for each asset class, but may also be sourced from the distribution teams and other parts of the business. Suggested objectives are reviewed and considered by the M&G Responsible Investment Advisory Committee (RIAC). RIAC is co-chaired by two of M&G's board directors and consists of members from across M&G's different business lines. The committee is responsible for oversight of responsible investment practices and initiatives across M&G. RIAC meets at least quarterly, and progress of responsible investment initiatives is discussed at each meeting.

Governance and human resources

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1 Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 - Heads of certain departments.**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
 - Responsible Investment Advisory Committee members.**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
 - Equity Corporate Finance team.**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment

OA 08.2 | Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

3

OA 08.3 | Additional information. [Optional]

Dedicated responsible investment staff are employed in our real estate division where we see the strongest link between environment and social factors and investment risk or return. "External managers or service providers" indicated above, refers to outsourced property management and consultancy support for M&G Real Estate.

Within equities, investment teams integrate ESG considerations, particularly governance focused, into investment decision making where appropriate, supported by M&G's Corporate Finance team.

RIAC members spend a significant portion of their time on implementation and oversight of responsible investment. However, in order to implement our integrated approach, RIAC members main responsibilities lie in the underlying businesses that they represent.

Promoting responsible investment

OA 10 | **Mandatory** | **Core Assessed** | **PRI 4,5**

OA 10.1 | Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

M&G representatives have attended various UNPRI seminars and webinars. We have recently joined the UNPRI's Fixed Income Outreach & Fixed Income Engagement sub-committees.

Asian Corporate Governance Association

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

M&G representatives have attended conferences and participated in discussions.

- Association for Sustainable & Responsible Investment in Asia

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

M&G Real Estate participates in ASRIA's annual research study, responding to the survey.

- Australian Council of Superannuation Investors
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

M&G Real Estate provides responses to our ultimate parent company, Prudential plc, for its CDP Climate Change response. The portfolio managed by M&G Real Estate on behalf of its clients represents over 50% of Prudential plc's carbon footprint.

- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

In 2014, M&G Real Estate submitted seven funds to GRESB (78%, by value, of its assets under management). It provided feedback to GRESB on developing and improving the survey, both individually and collectively through the Better Buildings Partnership, although it is not a member of GRESB.

- Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

M&G Real Estate participates in the IIGCC's Property Working Group, and provides general support for the initiative both publicly and in non-public forums. Through this involvement, we continue to provide input to documents such as the IIGCC PWG's recently-published *Trustee's Guide to Protecting Value in Real Estate Through Better Climate Risk Management*.

- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

M&G Real Estate is actively involved as a member of the UNEP FI Property Working Group. Nina Reid, our Director of Responsible Property Investment, authored the second edition of the UNEP FI publication *RPI: What the leaders are doing*, which featured two case studies from our business. M&G Real Estate continues to provide input to publications such as *Commercial Real Estate - Unlocking the energy efficiency retrofit opportunity*.

- United Nations Global Compact
- Other collaborative organisation/initiative, specify
Association of British Insurers (ABI)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

M&G's parent company (Prudential plc.) is one of the largest insurers in the UK, so M&G often participates in collaborative initiatives with other UK insurers through our involvement with the ABI. For example, M&G played a key role in the establishment of the "Insurers Infrastructure Investment Forum", where representatives from the UK insurance industry meet with Government officials to discuss a variety of issues relating to the sustainable development of infrastructure in the UK. Meetings are held approximately quarterly and provide an open forum for collaborate engagement between the UK insurance industry and the UK Government on long-term, sustainable infrastructure development.

- Other collaborative organisation/initiative, specify

Better Buildings Partnership (BBP)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The BBP is a collaboration of the UK's leading commercial property owners who are working together to improve the sustainability of existing commercial building stock. M&G Real Estate has been actively involved including chairing the BBP, chairing the Landlord Energy Rating group, and contributing on other groups including the Benchmarking Working Group.

- Other collaborative organisation/initiative, specify

"What and How" - an investor framework to integrate ESG risks in real estate - which is being supported by UNEP-FI, IIGCC, INCR, PRI and RICS

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

M&G Real Estate is a member of the project steering group.

- Other collaborative organisation/initiative, specify

The Investment Association – Equities Investment Committee

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Very active role in the work of the Investment Association, including matters related to listed equities such as the Stewardship and Corporate Governance of investee companies.

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

OA 11.3

Additional information. [Optional]

In 2014, M&G spoke at:

i) The second annual Estates Gazette Property Asset Management Summit, on the topic of 'meeting sustainability requirements' inherent in forthcoming legislation. The EG Conferences Property Asset Management Summit brings together leading figures from across the commercial real estate community in a one day format to assess the opportunities and risks of refurbishment and retrofit and explore successful approaches to re-using and modernising commercial space..

ii) EcoBuild 2014, addressing the issue of landlord and tenant collaboration to enable efficient asset operation. EcoBuild is the world's leading event for sustainable design, construction, energy and the built environment

We have provided support in kind to a number of academic and other research projects, providing time, data and intellectual support to groups such as S-I-R-E (Sustainable Investment in Real Estate), IPD's EcoPAS, and work with Oxford University.

M&G Investments

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

LEI 02	Voluntary	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 02.1 Provide a brief overview of how you incorporate ESG issues into listed equity investments.

As long-term investors, our equity fund managers focus on identifying investments with characteristics likely to result in sustained success and hence superior long-term performance for our clients. A holistic view is taken of all factors that can have an impact on prospective or existing holdings, through integrating both traditional financial and 'extra-financial' factors into investment decision-making.

Our fund managers believe that the long-term success of companies is supported by effective corporate stewardship and good governance. We maintain a constructive dialogue with the management of investee companies through regular meetings with executive and non-executive directors. Such meetings are central to our approach and are focused on identifying whether a company's strategy is aligned with our interests as long-term shareholders.

We have long been advocates of responsible share ownership and our Corporate Finance team oversees our stewardship of investee companies. An active voting policy is integral to our investment approach. By exercising our votes we seek both to add value to the investment process and to protect our interests as shareholders.

Social and environmental issues can also have an important impact on company performance. Well-managed companies should take these issues into consideration as part of their successful development. The consideration of such issues is therefore also integrated into company analysis at M&G, taking its place within the comprehensive assessment of all factors influencing a company's long-term prospects.

The same broad approach to integrating ESG is employed across our equity investments globally, however local standards and practices (e.g. cultural differences, varying degrees of corporate disclosure and access to management) can have an impact on how this approach is implemented in practice.

Responsibility for the implementation of these activities lies with the fund managers and analysts, with support being provided by M&G's Corporate Finance team.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
--------	-----------	-----------------------	-------

LEI 03.1 Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	%
	100

- Screening + Integration strategies
- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

	Total actively managed listed equities
--	--

100%

LEI 03.2	Describe your primary reasons for choosing a particular ESG incorporation strategy.
-----------------	---

As active, long-term shareholders, M&G's equity fund managers have always aimed to incorporate and integrate relevant factors into investment decision-making. As such, we believe that ESG integration is the most appropriate approach to address ESG issues while maintaining our long-standing role as active, mainstream equity investors.

In addition to ESG integration, a limited number of screens (e.g. cluster munitions exclusion list, sanctions list) are applied to equity investment portfolios, although we do not use *strategies* that would be defined specifically as 'screening' strategies.

(C) Implementation: Integration of ESG issues

LEI 10	Voluntary	Descriptive	PRI 1
---------------	------------------	--------------------	--------------

LEI 10.1	Describe how you integrate ESG factors into investment decision making processes.
-----------------	---

At M&G, we have long been advocates of responsible share ownership and our Corporate Finance team, alongside our fund managers and analysts, oversees our stewardship of investee companies.

Our fund managers believe that the long-term success of companies is supported by effective corporate stewardship and good governance. Social and environmental issues can also have an important impact on company performance. Well-managed companies should take these issues into consideration as part of their successful development. The consideration of such issues therefore also forms an element of company analysis at M&G, taking its place within the comprehensive assessment of all factors influencing a company's long-term prospects

We maintain a constructive dialogue with the management of investee companies through regular meetings with executive and non-executive directors. Such meetings are central to our approach and are focused on identifying whether a company's strategy is aligned with our interests as long-term shareholders, and whether its management is giving appropriate consideration to the risks and opportunities facing its business. An active voting policy is integral to our investment approach. By exercising our votes we seek both to add value to the investment process and to protect our interests as shareholders.

Discussions at company meetings may emphasise a number of long-term and ESG-related issues including, among others, strategic developments, board structure/composition, succession planning, executive remuneration, capital raising, safety standards, labour and community relations and broader environmental impacts. An assessment of this information will be factored into the fund managers' investment decisions.

LEI 11	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 11.2	Additional information. [Optional]
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When researching companies, a greater focus is applied to ESG issues that we consider most material to the investment thesis and which are therefore most likely to influence their performance as investments in the long run.

Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

LEI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.
----------	---

We disclose it publicly

Provide URL

<http://www.mandg.co.uk/-/media/Literature/UK/Corporate/MandG-Issues-Arising-From-Share-ownership.pdf>

Provide URL

<http://www.mandg.co.uk/-/media/Literature/UK/Corporate/MandGs-approach-to-responsible-investment.pdf>

LEI 18.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

LEI 18.3

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
 Detailed explanation of ESG incorporation strategy used

LEI 18.4

Indicate how frequently you typically report this information.

- Quarterly or more frequently
 Between quarterly and annually
 Less frequently than annually
 Other, specify
- No
- We disclose it to clients and/or beneficiaries only
 We do not proactively disclose it to the public and/or clients/beneficiaries

M&G Investments

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 01.1 Provide a brief overview of your organisation's approach to engagement.

As long-term investors, our equity fund managers focus on identifying investments with characteristics likely to result in sustained success and hence superior long-term performance for our clients. A holistic view is taken of the factors that can have an impact on prospective or existing holdings, through integrating both traditional financial and 'extra-financial' factors into investment decision-making.

We seek to add value for our clients by pursuing an active investment policy through portfolio management decisions, by voting on resolutions at general meetings and by maintaining a continuing dialogue with company management. Meetings with companies will therefore occur on a regular basis. This approach enables us to monitor company development over time and assess progress against objectives.

As a general policy we are supportive of the management of the companies in which we invest, entrusting them to implement a corporate strategy which should be well-articulated to shareholders. However, when companies fail to achieve our reasonable expectations we will raise our concerns with management and actively promote changes. Such changes might range from the formulation of a new strategy and the appointment of new directors to amendments in the company's remuneration policy.

In these circumstances we tend, where possible, to initiate discussions with the company Chairman and/or its financial advisors. We may also speak to independent directors and other shareholders. Wherever possible we seek to achieve our objectives by agreement and in a confidential manner, but we are prepared to support a requisition for a Meeting to enable shareholders as a whole to vote on matters in dispute.

Responsibility for the implementation of these activities lies with the fund managers and analysts, with support being provided by M&G's Corporate Finance team.

LEA 02	Mandatory	Gateway	PRI 1,2,3
--------	-----------	---------	-----------

LEA 02.1 Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
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LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

LEA 03.2

Describe how you identify and prioritise engagements.

Interactions with companies are identified (and prioritised) as an integral part of the fund management process. A bottom-up, company-specific approach is taken to identify instances where our interests as shareholders could be protected or enhanced via engagement with the company. These discussions involve a broad range of issues, including board composition and independence, management succession planning, executive remuneration, capital raising, regulatory developments, supply chain issues, workplace safety standards and broad environmental impacts.

In general, a greater focus is applied to factors that are considered to be most material to investee companies and which are therefore most likely to influence their performance as investments in the long run. The aim of our interactions with companies is to put forward our perspective as a long-term investor and, where appropriate, to seek positive change - either on an individual basis or occasionally in collaboration with other investors. We recognise that our ability to effect change depends on the nature of the particular issue and varies across different markets.

Interaction with company management on a range of issues (including ESG-related) is the responsibility of fund managers and analysts, and is supported by M&G's Corporate Finance team.

No

LEA 04	Mandatory	Core Assessed	PRI 2
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LEA 04.1	Indicate if you define specific objectives for your engagement activities.
----------	--

- Yes
 - Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- No

LEA 04.2	Indicate if you monitor the actions that companies take following your engagements.
----------	---

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases

LEA 04.3	Describe how you monitor and evaluate the progress of your engagement activities.
----------	---

Our 'engagement activities' are the responsibility of our fund managers and analysts, with additional resource provided by M&G's Corporate Finance team. As long-term shareholders, we see our interaction with companies on a broad range of investment-relevant issues as integral to investment decision-making. Progress on issues about which we have engaged in discussion with investee companies is monitored as part of our ongoing and regular dialogue with these businesses.

No

Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 05.1	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.
----------	---

Yes

LEA 05.2

Describe how you identify and prioritise collaborative engagements.

In general, interactions with companies and other bodies are undertaken on a one-to-one basis. On occasion, and where they are considered to be in the interests of our funds, collaborative engagements are undertaken on ESG issues as well as other strategic issues. These activities will be identified and prioritised according to our assessment of how meaningful an impact they will have on company performance. Fund managers will collaborate with external investors where appropriate and where it has been determined that a collective approach might have a positive effect on our shareholding.

Our process for identifying and prioritising collaborative engagements is incorporated within the investment approach of the equity fund management teams. M&G's Corporate Finance team are also involved in a number of collaborative initiatives whose aim is to protect the interests of long-term shareholders such as ourselves.

No

LEA 06**Mandatory****Core Assessed****PRI 2****LEA 06.1**

Indicate if the collaborative engagements in which you are involved have defined objectives.

Yes

- Yes, for all collaborative engagement activities
- Yes, for the majority of collaborative engagement activities
- Yes, for a minority of collaborative engagement activities

No

LEA 06.2

Indicate if you monitor the actions companies take following your collaborative engagements.

Yes

- Yes, in all cases
- Yes, in the majority of cases
- Yes, in the minority of cases

LEA 06.3

Describe how you monitor and evaluate the progress of your collaborative engagement activities.

The majority of instances of M&G's interaction with companies on ESG issues are conducted independently of other asset managers; hence *collaborative* engagement activities are relatively few in number. When they do occur, they are monitored as part of our ongoing investment activities relating to the companies in question. Such engagements tend to be carried out by specific investment teams within M&G's overall Equities team, and progress will therefore be monitored and evaluated by those teams.

No

General processes for all three groups of engagers**LEA 10****Mandatory****Gateway/Core Assessed****PRI 2****LEA 10.1**

Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input checked="" type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
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LEA 15.1 Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

LEA 15.8 Additional information. [Optional]

We conduct a large number of meetings and discussions with investee companies and incorporate ESG issues, especially corporate governance-related, into our regular and ongoing interactions with these companies. It is our opinion that the impact of these interactions tends to be more effective when the dialogue is contained between ourselves and the companies in question. We are willing to disclose appropriate details of these discussions with clients, in order to illustrate our investment approach for example, but we do not proactively publish information regarding these interactions.

(Proxy) voting and shareholder resolutions

Overview

LEA 16	Voluntary	Descriptive	PRI 2
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LEA 16.1	Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).
-----------------	--

An active and informed voting policy is an integral part of our investment philosophy. Voting should never be divorced from the underlying investment management activity. By exercising our votes we seek both to add value and to protect our interests as shareholders. We consider the issues, meet the management if necessary and vote accordingly. We aim to vote on resolutions at all general meetings of companies held in M&G's actively managed portfolios.

We believe that a responsible board should consult significant shareholders in advance of a company meeting rather than risk putting forward resolutions which may be voted down. We seek to discuss any contentious resolutions before casting our votes in order to ensure that our objectives are understood.

Our voting decisions aim to support corporate performance and the creation of sustainable shareholder wealth on behalf of clients invested in our funds. When considering proxy proposals, we generally look to support management, but the ultimate decision will be determined by an assessment of the impact on our funds' investments and on the long-term interests of our clients. We will vote against proposals that compromise our interests as minority shareholders.

UK corporate governance best practice is used as our starting point given the well-established principles and practices that define accepted corporate behaviour and shareholder protections. However, we recognise and respect differing practices across international markets. We expect companies to demonstrate that they operate in accordance with all applicable laws and regulations.

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

Process

LEA 17	Mandatory	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
-----------------	---

Approach

We use our own research or voting team and make our own voting decisions without the use of service providers.

Based primarily on

- our own voting policy
- our clients requests or policy
- other, explain
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) which make voting decisions on our behalf.

LEA 17.2	Additional information.[Optional]
----------	-----------------------------------

M&G's proxy voting approach is wholly integrated within our investment management process. Votes cast are based on well-established internal guidelines whose primary aim is protecting and promoting our interests as long-term shareholders. We use research from proxy advisory service providers to ensure voting decisions are based on the optimal level of available information (both company-specific and market-related), rather than for their voting recommendations.

LEA 21	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
----------	---

- Yes, in most cases
- Sometimes, in the following cases:
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2	Additional information. [Optional]
----------	------------------------------------

We will, in general and where practicable, inform companies of the rationale for voting against management recommendations, either before or after our vote is submitted. We seek to discuss contentious resolutions before casting our votes in order to ensure that our objectives are understood. We also discuss such issues during our regular and ongoing dialogue with companies.

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
----------	---

- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

99

	Specify the basis on which this percentage is calculated
--	--

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

Communication

LEA 26

Mandatory

Core Assessed

PRI 2,6

LEA 26.1

Indicate if your organisation proactively discloses information on your voting activities.

- We disclose it publicly

provide URL

<http://www.mandg.co.uk/corporate/about-mg/corporate-governance/>

LEA 26.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes
 No

LEA 26.3

Indicate the voting information your organisation proactively discloses to the public.

Indicate how much of your voting record you disclose

- All voting decisions
 Some voting decisions
 Only abstentions and opposing vote decisions
 Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
 Explain some voting decisions
 Only explain abstentions and votes against management
 No explanations provided

LEA 26.4

Indicate how frequently you typically report voting information to the public.

- Continuously (primarily before meetings)
 Continuously (soon after votes are cast)
 Quarterly or more frequently
 Between quarterly and annually
 Less frequently than annually
 Other, specify

LEA 26.5

Indicate the voting information your organisation proactively discloses to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

LEA 26.6

Indicate how frequently you typically report voting information to clients/beneficiaries.

- Continuously (primarily before meetings)
 - Continuously (soon after votes are cast)
 - Quarterly or more frequently
 - Between quarterly and annually
 - Less frequently than annually
 - Other, specify
- We disclose it to clients/beneficiaries only
 - We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

M&G Investments

Reported Information

Public version

Direct - Fixed Income

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ESG incorporation in actively managed fixed income

FI 03	Voluntary	Descriptive	PRI 1
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FI 03.1	Provide a brief overview of how you incorporate ESG issues in fixed income investments.
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Fixed Income - Corporate

M&G applies an integrated approach to ESG across all funds. Credit analysts and portfolio managers incorporate ESG issues into their investment views wherever they are likely to have a meaningful impact on risk or return. Investment decisions are not based on ESG considerations in isolation, rather ESG issues are analysed in conjunction with all other factors that affect risk or return in order to form investment views. Given the limited upside and significant possible downside of fixed income investment, the focus of our ESG analysis is understanding downside risk; in particular understanding the tail risk of significant loss due to ESG concerns. M&G are long-term investors in public and private markets with significant holdings of private and illiquid debt. Since ESG issues often develop over the longer-term then, due to the long-term and often illiquid nature of many of our investments, it is essential that M&G integrates ESG issues into our investment analysis.

The M&G Responsible Investment Advisory Committee (RIAC), which has representatives from each of M&G's key business areas, has overall responsibility and oversight for responsible investment initiatives across M&G. The RIAC members have responsibility for day-to-day responsible investment issues within their business areas.

Credit analysts must ensure that ESG issues are incorporated into their credit views, and portfolio managers must ensure that these credit views (which incorporate ESG considerations) are used when making investment decisions.

It is an objective in the appraisal process that, where appropriate, all credit analysts integrate ESG issues into credit views, in credit write-ups and communication with portfolio managers, and for all portfolio managers to consider ESG issues when making investment decisions.

Fixed Income - Government

M&G's approach to ESG for governments is very similar to our approach for corporates, so the comments above also apply to government fixed income investments.

The key difference in approach is that for governments we place a higher emphasis on social issues and a lower emphasis on environmental issues than we do for corporates. This is due to our approach of incorporating ESG issues into our investment views where they are likely to have a meaningful impact on risk or return. We currently consider evidence of a link between environmental issues and government bond performance to be somewhat inconclusive; however, we see a much clearer link between social issues and government bond risk and return.

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
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FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	%
	100

- Screening + Integration strategies
- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed fixed income - corporate

100%

FI 04.2

Describe your primary reasons for choosing a particular incorporation strategy.

An integrated ESG strategy fits well with M&G's investment approach and the types of assets that we manage. M&G is a long-term investor across both public and private markets and has significant holdings in private and illiquid debt and hence it is essential that all long-term risks, including ESG risks, are considered when making investment decisions. An integrated approach, where ESG issues are considered in conjunction with all other material factors, is most appropriate since proper examination of all long-term risks is essential given our long-term investment approach.

FI 04.4

Additional information. [Optional]

M&G does apply a small degree of ESG screening in certain circumstances; however, our use of screening is not significant enough to be considered a strategy. For example, as per our cluster munitions policy, M&G screens all applicable portfolios to avoid positions in companies involved in the manufacture of cluster munitions. Also, for specific segregated client mandates we may screen-out companies involved in certain industries (e.g. arms manufacturers, tobacco, alcohol etc.) at the request of the client.

M&G also makes significant thematic investments across a range of areas including social housing, renewable energy, healthcare, education, green real estate etc. However, these assets are incorporated into funds that are managed according to an integrated strategy as we do not currently manage stand-alone funds based on a thematic ESG strategy.

(C) Implementation: Integration of ESG factors

FI 11	Mandatory	Core Assessed	PRI 1
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FI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 11.2	Additional information. [Optional]
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Our general approach is to incorporate ESG issues into our investment views wherever they are likely to have a meaningful impact on risk or return. For certain industries and companies the impact of environmental and social factors is modest or inconclusive, while for other industries and companies environmental and social factors can have a significant impact on risk or return - so we concentrate our research into environmental and social factors for those industries and companies where we see a likely link between environmental and social factors and risk or return.

Poor governance practices are likely to have an impact on risk or return across all sectors and companies, so we apply a more systematic approach to incorporating governance issues into our company analysis.

Fixed income - Government

FI 13	Mandatory	Core Assessed	PRI 1
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FI 13.1	Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.
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Yes

FI 13.2

Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.

- <10%
- 10-50%
- 51-90%
- >90%

FI 13.3

Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.

ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 13.4

Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]

As for corporate fixed income, M&G incorporates ESG issues in government fixed income investment analysis wherever these issues are likely to have a meaningful impact on risk or return. Our focus is on social and governance issues, as we believe the current evidence for environmental issues having a meaningful impact on risk or return for government bonds is inconclusive. There are some examples of environmental issues having a meaningful impact on investment view (e.g. pollution & air quality in China) so we do consider environmental issues occasionally when analysing government fixed income investments. We consider social issues for all sovereign issuers that we cover, as social unrest can often lead to political and economic instability, and can clearly have an impact on government bond performance. The emphasis on social factors in our investment process is higher for government fixed income than for corporate fixed income, because we see social factors as a stronger driver of risk and return for government bonds than for corporate fixed income. Governance issues are considered on a systematic basis for government fixed income as good governance is necessary to build confidence in a country's government bond market, and hence has a direct impact on government bond risk and return.

M&G's analysts produce a sovereign ranking model that provides a framework for us to evaluate the credit quality of all government bond markets in our investment universe, incorporating a range of relevant factors including ESG factors where they are considered material. A banking system ranking model based on a range of factors including ESG factors is also produced, and provides complementary information to the sovereign model due to the strong links between sovereign credit quality and the strength of the financial system. Portfolio managers incorporate rankings from these models and other internal analyst research into their investment decisions for government fixed income.

No

FI 13.5	Additional information. [Optional]
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M&G's government bond holdings are highly concentrated in developed countries with generally strong ESG practices. Countries with meaningful ESG issues make up a very small proportion of M&G's government bond holdings. This is partially due to our investment view, but is also driven by M&G's business composition, which is highly concentrated in the most developed markets.

Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
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FI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.
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We disclose it publicly

	Provide URL
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<http://www.mandg.co.uk/corporate/about-mg/investment-philosophy/responsible-investment/>

FI 18.2	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
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Yes

No

FI 18.3	Indicate the information your organisation proactively discloses to the public regarding your approach to ESG incorporation.
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Broad approach to ESG incorporation

Detailed explanation of ESG incorporation strategy used

FI 18.4	Indicate how frequently you typically report this information to the public.
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Quarterly or more frequently

Between quarterly and annually

Less frequently than annually

Other, specify

Ad-hoc - see additional information below

FI 18.5

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

FI 18.6

Indicate how frequently you typically report this information to clients/beneficiaries

- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

Ad-hoc - see additional information below

- We disclose it to clients/beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries

FI 18.7

Additional information. [Optional]

Reporting to Public - M&G's general approach to ESG incorporation is published on the M&G website. This information does not change regularly, so is updated on an ad-hoc basis as and when required.

Reporting to Clients - Clients can view the public information about M&G's general approach to ESG incorporation on M&G's website. Additionally, clients can receive more detailed information about M&G's integrated approach to ESG, including policies and examples that apply to their own portfolios, with the level of detail and frequency tailored to the particular client's needs. For most clients information on M&G's ESG incorporation is only required on an ad-hoc basis, however, some clients require a regular update (e.g. quarterly) on ESG issues and processes that affect their portfolios.

M&G Investments

Reported Information

Public version

Direct - Property

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

PR 05	Mandatory	Core Assessed	PRI 1-6
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PR 05.1 Indicate if your organisation has a Responsible Property Investment (RPI) policy.

Yes

PR 05.2 Provide a URL if your RPI policy is publicly available. [Optional]

<http://www.mandg.co.uk/institutions/realestate/responsible-investing/>

No

PR 05.3 Additional information. [Optional]

From the link in 05.2, please select 'Publications' and then open 'RPI Policy' or follow this link:
<http://www.mandg.co.uk/-/media/Literature/UK/Real%20estate%20publications/Policies/RPI-Policy.pdf>

This policy covers all M&G Real Estate's assets under management, regardless of property type or location.

Our ESG Guiding principles document outlines policies that are applicable to M&G's real estate debt business. This document is available to clients on request.

Fundraising of property funds

PR 06	Mandatory	Core Assessed	PRI 1,4,6
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PR 06.1 Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

Yes

PR 06.2

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
 - Always
 - In a majority of cases
 - In a minority of cases
- Approach to ESG issues in pre-investment processes
 - Always
 - In a majority of cases
 - In a minority of cases
- Approach to ESG issues in post-investment processes
 - Always
 - In a majority of cases
 - In a minority of cases

PR 06.3

Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]

M&G Real Estate's Fund Prospectuses are always accompanied by fund-specific marketing collateral. These marketing documents (such as fund profiles and quarterly reports) include information on our Responsible Property Investment strategy, explaining why we believe Responsible Property Investment helps us to protect and enhance fund and asset performance for our clients, and outlining the four areas of focus of our strategy. As our Fund Prospectuses are purely legal documents they do not contain any information on fund characteristics, investment strategy or approach to responsible investing.

The presentations in our marketing material cover our general approach, and are supplemented by the high-level information contained in our annual Responsible Property Investment Report. Detailed information, such as our approach to pre- and post-investment processes would be provided to potential investors on request. This type of detailed information is however included in the reports we provide to investors; for example in responses to Requests for Proposals, or as part of the Due Diligence process.

- No
- Not applicable as our organisation does not fundraise

Pre-investment (selection)

PR 08

Mandatory

Gateway

PRI 1

PR 08.1

Indicate if your organisation typically incorporates ESG issues when selecting property investments.

- Yes

PR 08.2

Provide a description of your organisation's approach to incorporating ESG issues in property investment selection. [Optional]

As a standard part of our pre-acquisition Due Diligence process, we commission building survey reports and environmental risk assessments. Specific issues captured vary from country to country, but typically they would include:

- energy performance ratings (eg EPCs in the EU, NABERs in Australia)
- building sustainability ratings (eg certifications such as BREEAM, LEED)
- contamination
- asbestos
- flood risk

This information is fed back to the Investment Managers to inform their decisions. It is also explicitly included in the due diligence checklist which goes to our Investment Committee for approval.

Environmental Risk Assessment details are logged into a database, enabling us to see at a glance the level of an asset's risk, or a portfolio's risk.

No

PR 10

Mandatory

Core Assessed

PRI 1,3

PR 10.1

Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process and list up to three examples per issue.

ESG issues

Environmental

List up to three typical examples of environmental issues

Energy Performance Certificate Ratings

Land Contamination

Flood Risk

Social

List up to three typical examples of social issues

Health & Safety

Tenant Type

Occupier Turnover

Governance

List up to three typical examples of governance issues

Anti-Bribery and Corruption

Money Laundering

Cluster Munitions

Selection, appointment and monitoring third-party property managers

PR 13	Mandatory	Core Assessed	PRI 4
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PR 13.1	Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.
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Yes

PR 13.2	Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.
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- Selection process of property managers incorporated ESG issues
 - For all third party property managers
 - For a majority of property managers
 - For a minority of property managers
- Contractual requirements when appointing property managers includes ESG issues
 - For all third party property managers
 - For a majority of property managers
 - For a minority of property managers
- Monitoring of property managers covers ESG responsibilities and implementation
 - For all third party property managers
 - For a majority of property managers
 - For a minority of property managers

PR 13.3	Provide a brief description of your organisation's selection, appointment and monitoring of third party property managers. [Optional]
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UK Portfolios (over 80% by value): All property managers have sustainability issues incorporated in their contracts. For example, CBRE, which manages the largest part of the UK portfolios, has a number of Service Level Agreements, Key Performance Indicators and targets relating to sustainability issues. These are monitored closely by M&G Real Estate's Sustainability Team, with quarterly update meetings at which performance is reviewed and assessed. The assessment of their Service Level Agreements feeds into CBRE's financial incentivisation. Key Performance Indicators, Service Level Agreements and targets are revised as necessary and all are reviewed at least annually to ensure they remain fit for purpose.

Overseas Portfolios: Although ESG issues were not incorporated into all property managers' contracts when they were originally appointed, M&G Real Estate is adding these issues in when appropriate and as it becomes possible to do so.

All property manager are required to provide us with both qualitative and quantitative data with respect to all aspects of ESG management. We collect environmental performance data in respect of all assets worldwide.

PR 13.4	Describe how your third party property managers contribute to the management of ESG issues for your property investments. [Optional]
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All third party property managers - and their suppliers - are key to the delivery of our Responsible Property Investment strategy. All are expected to adhere to our RPI policy and requirements, even if not specifically contractually required to do so. All third party property managers are responsible for ensuring that relevant ESG data is gathered, checked and returned to M&G Real Estate for use in various reports and surveys. All are expected to adhere to our Responsible Property Investment policy.

Performance targets for individual properties are set with input from the third party property managers, taking into account their knowledge of the properties and budgets available. These individual property-level targets are then amalgamated into a single figure per property type to make M&G Real Estate's public reporting easier to understand.

Where we have specific performance targets in place (for example targets to reduce the properties' environmental footprints), our third party property managers are responsible for focussing efforts to improve the performance. Following our guidance, they are expected to implement low- and no-cost measures to ensure properties are operated as efficiently as possible. We also expect our property managers to conduct aspects of the tenant engagement programme on our behalf, such as liaising with occupiers and organising 'eco-events' at shopping centres.

No

Post-investment (monitoring and active ownership)

Overview

PR 14	Mandatory	Gateway	PRI 2
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PR 14.1	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.
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Yes

PR 14.2	Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.
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- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and refurbishments
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

PR 14.3	Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets. [Optional]
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Under supervision from M&G Real Estate's Sustainability Team, our third party property managers have the main responsibility for:

Monitoring and managing ESG issues in property management

We set ESG targets across our global managed portfolio - all geographies and all asset classes. We work with our third party property managers to develop stretching medium-term targets for environmental efficiency. Our energy and water targets run to March 2021.

A wide range of ESG key performance indicators are produced on an annual basis in conjunction with our property managers. They are reviewed quarterly - CBRE provides a self-assessment with evidence which M&G Real Estate reviews and re-assesses as appropriate. At quarterly meetings, performance is discussed, areas for concern are flagged for action and good practice is highlighted.

In the UK, our property managers provide environmental performance reports on a monthly basis to the team in charge of each building's operations to enable them to identify and address anomalies. We have put in place an ambitious programme to install automated metering on the properties that consume the greatest proportion of energy in our UK portfolio, and this is almost complete. Additionally, two trial projects are under way: the first installed over 100 sub-meters to plan and equipment in our largest-consuming asset. Live data will be continually monitored, analysed and reported, highlighting where unnecessary operation can be halted, and where further investigation should be carried out. The second is a more portable enhanced monitoring system for use at assets where the installation of many sub-meters would not be cost efficient. Both systems are already generating useful data, savings, and positive feedback from occupiers.

Our UK property managers maintain independently-accredited ISO14001 certification on assets which currently account for approximately 80% of energy consumed. At the time of writing, ten of our shopping centres are independently accredited to internationally-recognised standard PAS99, which incorporates ISO14001 accreditation, and 24 of our largest multi-let UK office buildings are independently accredited to ISO14001 - a total of 300,000 square meters. The suitability of a further fourteen buildings is under consideration for accreditation over the course of 2015-16. Our accreditation programme ensures that those properties with the largest environmental footprint have the most stringent management systems in place.

Geographical variations

As 84% of our assets by value are in the UK, this is where the majority of our efforts have been focussed until recently. Outside the UK, different geographical areas have a differing levels of maturity in their approach to Responsible Investment, and we have adapted our approach accordingly.

In the North American portfolio, our third party property managers operate according to their GreenGuide for sustainable property operations - a guidebook of ten areas of sustainable operational best practices. The GreenGuide is applicable across all asset classes and aims to reduce their energy, water, waste and overall carbon footprint. All North American properties submit data to the Greenprint survey, enabling them to benchmark the assets' performance. Five of the six assets are certified to LEED - either Gold or Silver standard and the one remaining asset is currently on course for LEED Gold certification.

We commissioned Bureau Veritas to conduct an environmental and regulatory review of our European portfolio to ensure exposure to current and proposed legal requirements is understood and any risks mitigated. As part of this, Green Rating audits were conducted on six assets to provide us with thorough independent assessments of asset performance in relation to energy, water, waste, transport and occupant well-being. The recommendations from the audits have been reviewed by our asset managers for feasibility of implementation, and all those that can be implemented immediately have been communicated to our property managers. Those actions that require more significant capital expenditure will be considered when we undertake future improvement works. In 2014, we also installed beehives at two assets in order to support bee protection and protect biodiversity.

In 2014, M&G Real Estate Singapore undertook an ambitious programme to ensure responsible investment is integrated into its post-investment activities. Working with an external sustainability consultant they conducted an engagement exercise to understand what is important to their stakeholders, launched a Responsible Property Investment Committee and introduced energy, GHG and water management policies, and a Green Building Certification policy. Performance data is gathered for all managed assets and reported six-monthly.

ESG issues in refurbishments

Smaller-scale refurbishments are undertaken by our third party property managers. M&G Real Estate imposes minimum ESG requirements for refurbishments, as they represent an important opportunity to improve a building's environmental performance.

ESG issues in occupier engagements such as tenant meetings and eco-events

Through our third party property managers, we can ensure that regular occupier meetings are held at large multi-tenanted buildings, and we mandate the discussion of the buildings' ESG performance at these meetings. Feedback is gathered quarterly and analysed for patterns, enabling us to respond to emerging trends.

M&G Real Estate has the main responsibility for

Reporting on ESG issues

With over a decade of involvement in, and reporting on, sustainability and responsible investment, we have a great deal of experience in developing meaningful data to enable consistent year-on-year comparison.

Our reporting complies with Global Reporting Initiative (GRI) G3 Guidelines to Level C, the INREV Sustainability Reporting Recommendations and the EPRA Best Practice Reporting Guidelines. We also use the GRI Construction and Real Estate Sector Supplement.

Our industry involvement ensures that we are able to stay abreast of developments in this field, and we have been actively participating in discussions with the Global Real Estate Sustainability Benchmark, IPD EcoPAS, UNPRI and GRI's Construction and Real Estate Sector Supplement to support industry and portfolio benchmarking systems that are fit for purpose.

We participate in the Jones Lang LaSalle Real Estate Environmental Benchmark survey, GRESB and Greenprint.

As our business evolves and changes, we are constantly seeking and refining methods to analyse and present our RI performance in transparent and useful ways.

Our most recently published environmental targets cover our entire global managed portfolio - all geographies and all asset classes. We work with our third party property managers to develop stretching medium-term targets for environmental efficiency. Our energy and water targets run to March 2021

Appointing third party property managers

Our property management approach is influenced by investment strategies to the extent that specialist property managers are appointed to specialist funds - for example, for our residential property fund.

Overseeing third party property managers' performance in monitoring and managing ESG in property management

M&G Real Estate's property management is outsourced to a number of third party suppliers. We seek to ensure that all services delivered on our behalf meet our high standards and we work closely with our third party property managers to ensure that this is the case.

We recognise that driving environmental improvements at our assets reduces operating costs, carbon emissions and the use of natural resources. This helps attract and retain tenants and ensure that we appropriately manage environmental risks. We work closely with our property managers to continually improve the environmental performance of our assets.

Participating in corporate-level occupier engagements such as tenant surveys

M&G Real Estate actively seeks to identify and understand occupier needs through a number of engagement programmes such as our Key Occupier Relationship Management programme: a structured programme of regular meetings which focuses on promoting and embedding proactive dialogue with retail occupiers. Our Customer Relationship Management team engages with occupiers both face to face, and by means of occupier surveys. Our most recent survey was delivered to all occupiers of UK properties where there is a service charge, and included questions relating to environmental issues.

Maintaining M&G Real Estate's ISO14001 accreditation

Our Environmental Management System is independently accredited to internationally-recognised standard ISO14001, covering our head office facility, property development and refurbishment activities where actively managed in-house, property acquisition activities and the management of sub-contracted property management activities.

Ensuring ESG issues are managed in property developments

M&G Real Estate's ISO14001 accreditation (see above) also encompasses our property development activities. We seek to ensure minimum standards are achieved, depending on the asset class, such as BREEAM Excellent at new developments. Our UK Sustainable Development and Refurbishment Framework was revised and relaunched in 2014. It provides guiding principles and targets, while remaining sufficiently flexible to meet the needs of the many differing types of project delivered for our clients. The Framework will assist us in the delivery of higher quality assets, which are economic to design and construct, efficient to operate, have low rates of depreciation and obsolescence and high levels of occupier satisfaction, which therefore generate greater returns to our funds. Two of our recent office development projects have been built to very high environmental standards, both achieving BREEAM Excellent, and B rated EPCs. One of them, the new Renaissance building in Croydon, UK, achieved the fifth highest 'BREEAM Excellent' rating at final stage certification in February 2014.

No

Property monitoring and management

PR 15	Mandatory	Core Assessed	PRI 2,3
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PR 15.1	Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.
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- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

PR 15.2	Indicate ESG issues for which your organisation, and/or property managers, typically sets and monitors targets (KPIs or similar) and provide examples per issue.
----------------	--

ESG issues

Environmental

List up to three example targets per issue

Energy Intensity: 20% reduction based on indexed trend for all landlord procured energy, based on a 2012/13 baseline, by 2020/21 (global)

Water consumption: 10% reduction based on indexed trend for all landlord procured water, based on a 2012/13 baseline, by 2020/21 (global)

Zero waste to landfill arising from day to day operation of our assets, where we have control over waste disposal, by 2020/21 (UK)

Social

List up to three example targets per issue

We target a nil accident rate across the entire portfolio

Review communication of responsible property investment performance to customers to ensure it enables them to understand the benefits

Develop customer engagement programmes/surveys to ensure they are delivered in the right language at the right time using the right delivery methods

Governance

List up to three example targets per issue

We target zero non-conformances at audits of our environmental management system

we ensure that all suppliers are screened using M& G Real Estate's pre-qualification process which includes questions on sustainability competence

We do not set and/or monitor against targets

PR 15.3	Additional information. [Optional]
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M&G Real Estate's general approach to property management

M&G Real Estate's property management is outsourced to a number of third party suppliers. We seek to ensure that all services delivered on our behalf meet our high standards and we work closely with our third party property managers to ensure that this is the case.

M&G Real Estate's consideration of ESG issues in property management

We recognise that driving environmental improvements at our assets reduces operating costs, carbon emissions and the use of natural resources. This helps attract and retain tenants and ensure that we appropriately manage environmental risks. We work closely with our property managers to continually improve the environmental performance of our assets.

Our property management approach is influenced by investment strategies to the extent that specialist property managers are appointed to specialist funds - for example, for our residential property fund.

Our Environmental Management System is independently accredited to internationally-recognised standard ISO14001, covering our head office facility, property development and refurbishment activities where actively managed in-house, property acquisition activities and the management of sub-contracted property management activities. Our UK property managers maintain independently-accredited ISO14001 certification on assets which currently account for approximately 80% of energy consumed. At the time of writing, ten of our shopping centres

are independently accredited to internationally-recognised standard PAS99, which incorporates ISO14001 accreditation, and 24 of our largest multi-let UK office buildings are independently accredited to ISO14001 - a total of 300,000 square meters. The suitability of a further fourteen buildings is under consideration for accreditation over the course of 2015-16. Our accreditation programme ensures that those properties with the largest environmental footprint have the most stringent management systems in place.

Targets and monitoring performance at individual property assets

We set ESG targets across our global managed portfolio - all geographies and all asset classes. We work with our third party property managers to develop stretching medium-term targets for environmental efficiency. Our energy and water targets run to March 2021, as does our UK waste and recycling target.

A wide range of ESG key performance indicators are produced on an annual basis in conjunction with our property managers. They are reviewed quarterly - CBRE provides a self-assessment with evidence and M&G Real Estate reviews and re-assesses as appropriate. At quarterly meetings, performance is discussed, areas for concern are flagged for action and good practice is highlighted.

In the UK, our property managers provide environmental performance reports on a monthly basis to the team in charge of each building's operations to enable them to identify and address anomalies. We have put in place an ambitious programme to install automated metering on the properties that consume the greatest proportion of energy in our UK portfolio, and this is almost complete. Additionally, two trial projects are under way: the first installed over 100 sub-meters to plan and equipment in our largest-consuming asset. Live data will be continually monitored, analysed and reported, highlighting where unnecessary operation can be halted, and where further investigation should be carried out. The second is a more portable enhanced monitoring system for use at assets where the installation of many sub-meters would not be cost efficient. Both systems are already generating useful data, savings, and positive feedback from occupiers.

Tracking and benchmarking

With over a decade of involvement in, and reporting on, sustainability and responsible investment, we have a great deal of experience in developing meaningful data to enable consistent year-on-year comparison.

Our reporting complies with Global Reporting Initiative (GRI) G3 Guidelines to Level C, the INREV Sustainability Reporting Recommendations and the EPRA Beset Practice Reporting Guidelines. We also use the GRI Construction and Real Estate Sector Supplement.

Our industry involvement ensures that we are able to stay abreast of developments in this field, and we have been actively participating in discussions with the Global Real Estate Sustainability Benchmark, IPD EcoPAS, UNPRI and GRI's Construction and Real Estate Sector Supplement to support industry and portfolio benchmarking systems that are fit for purpose.

We participate in the Jones Lang LaSalle Real Estate Environmental Benchmark survey, GRESB and Greenprint.

As our business evolves and changes, we are constantly seeking and refining methods to analyse and present our RI performance in transparent and useful ways.

Our most recently published environmental targets cover our entire global managed portfolio - all geographies and all asset classes. We work with our third party property managers to develop stretching medium-term targets for environmental efficiency. Our global energy and water targets and our UK waste and recycling targets run to March 2021.

Geographical variations

As 84% of our assets by value are in the UK, this is where the majority of our efforts have been focussed until recently. Outside the UK, different geographical areas have a differing levels of maturity in their approach to Responsible Investment, and we have adopted our approach accordingly.

In the North American portfolio, our third party property managers operate according to their GreenGuide for sustainable property operations - a guidebook of ten areas of sustainable operational best practices. The GreenGuide is applicable across all asset classes and aims to reduce their energy, water, waste and overall carbon footprint. All North American properties submit data to the Greenprint survey, enabling them to benchmark the assets' performance. Five of the six assets are certified to LEED - either Gold or Silver standard and the one remaining asset is currently on course for LEED Gold certification.

We commissioned Bureau Veritas to conduct an environmental and regulatory review of our European portfolio to ensure exposure to current and proposed legal requirements is understood and any risks mitigated. As part of this, Green Rating audits were conducted on six assets to provide us with thorough independent assessments of asset performance in relation to energy, water, waste, transport and occupant well-being. The recommendations from the audits have been reviewed by our asset managers for feasibility of implementation, and all those that can be implemented immediately have been communicated to our property managers. Those actions that require more significant capital expenditure will be considered when we undertake future improvement works. In 2014, we also installed beehives at two assets in order to support bee protection and protect biodiversity.

In 2014, M&G Real Estate Singapore undertook an ambitious programme to ensure responsible investment is integrated into its post-investment activities. Working with an external sustainability consultant they conducted an

engagement exercise to understand what is important to their stakeholders, launched a Responsible Property Investment Committee and introduced energy, GHG and water management policies, and a Green Building Certification policy. Performance data is gathered for all managed assets and reported six-monthly.

Property developments and refurbishments

PR 17	Mandatory	Core Assessed	PRI 2
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PR 17.1	Indicate the proportion of active property developments and refurbishments where ESG issues have been considered.
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- >90% of active developments and refurbishments
- 51-90% of active developments and refurbishments
- 10-50% of active developments and refurbishments
- <10% of active developments and refurbishments
- N/A, no developments and refurbishments of property assets are active

(by number of active property developments and refurbishments)

PR 17.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and refurbishments.
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- Minimum environmental site selection requirements
- Minimum environmental site development requirements
- Sustainable construction materials
- Minimum water efficiency requirements
- Minimum energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Construction contractors comply with sustainability guidelines
- Other, specify

PR 17.3	Additional information. [Optional]
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When undertaking significant refurbishment of our assets, and when undertaking new developments, we seek to improve their energy and environmental performance, and where appropriate, seek accreditation for this through the recognised market standards, eg: BREEAM, LEED, NABERS or Green Mark.

In the UK, where all of our new development and most of our major refurbishments take place, we have a Sustainable Development and Refurbishment Framework. The Framework document sets out the sustainability standards which we require project teams to consider during the design, construction and handover process. Through the use of this document, we hope to enable the structured, coordinated and transparent consideration and integration of sustainability principles in the design and delivery of M&G Real Estate's projects. Ultimately, this contributes to the creation of higher quality assets, which are economic to design and construct, efficient to operate, have low rates of depreciation and obsolescence and high levels of occupier satisfaction, which therefore generate greater returns to our funds.

Occupier engagement

PR 18

Mandatory

Core Assessed

PRI 2

PR 18.1

Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.

- >90% of occupiers
- 51-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)

PR 18.2

Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.

- Distribute a sustainability guide to occupiers
- Organise occupier events focused on increasing sustainability awareness
- Deliver training on energy and water efficiency
- Deliver training on waste minimisation
- Provide feedback on energy and water consumption and/or waste generation
- Provide feedback on waste generation
- Carry out occupier satisfaction surveys
- Other, specify

PR 18.3

Additional information. [Optional]

We actively seek to identify and understand occupier needs through a number of engagement programmes such as our Key Occupier Relationship Management programme. This structured programme of regular meetings focuses on promoting and embedding proactive and positive dialogue with retail occupiers. It has developed over a number of years following feedback from retail occupiers that they value having a direct relationship with us. Furthermore, retailers also have disproportionately large energy consumption. We also actively engage with various occupier and industry groups, including the Property Managers Association, the RealService Best Practice Group and the British Property Federation to keep up to date with best practice. Through the RealService Best Practice Group we participate in a number of annual service performance benchmarking programmes which allows us confidentially to compare our customer service performance with best practice.

We believe that directly engaging with our occupiers is key to understanding and responding to their needs. In the UK, in 2014, we conducted shopping centre, retail park and office portfolio satisfaction surveys which have shown that environmental issues are important to our customers' businesses. We also extended our satisfaction survey programme to include our new UK residential portfolio. 90% of our UK portfolio say they are satisfied as an occupier of our properties; 92% of shopping centre occupiers and 89% of retail park occupiers agreed that "environmental issues are important to my business".

Examples of specific engagement measures in place include:

Our annual Responsible Property Investment report is emailed to over 150 contacts at our key occupiers.

At all UK multi-let offices which are accredited to ISO14001, sustainability issues are included on the regular tenant meeting agenda for discussion at least every six months. Issues discussed vary from building to building, but have included: energy conservation measures, water conservation measures, waste minimisation and recycling, green cleaning supplies, sharing environmental data and green travel. Occupiers were encouraged to participate in Earth Hour 2014 and across nearly 300,000 square meters of floor space non-essential lights were switched off for an hour. At two offices, Green Building Management groups were set up, following the guidelines in the Better Building Partnership's Green Building Management Toolkit, which we were involved in creating.

At UK shopping centres, the focus on educating occupiers on reducing waste generation and improving the separation of recycling streams, led to an increase from 81% to 92% in diversion from landfill.

We hold occasional Energy and Environment workshops for occupiers of specific property types, such as our 2012 workshop for retailers. Building on the success of this event, we are planning a similar workshop for occupiers of our retail warehouses to find out more about the sustainability measures they can implement at retail parks and other retail properties to save energy and reduce costs, and to demonstrate the environmental improvements installed at one such property in our portfolio.

We have developed sustainability guides for UK occupiers, which were published in 2014 and emailed to more than 600 occupiers who together occupy 2.3 million square meters of floor space. One provides advice for our retail tenants on how energy use and other environmental issues can be managed and their impact reduced through good design and specification during fit-out and refurbishment, and through good management once in operation. A separate guide addresses these issues from the perspective of office occupiers. Both documents provide examples of current good practice within the industry, examples of measures that will assist in reducing carbon emissions and regulatory compliance, as well as signposting to more detailed guidance and support.

Across our US and Canadian portfolio, our asset managers have rolled out a GreenGuide for sustainable property operations - a guidebook of ten areas of sustainable operational best practices for asset managers to share with third party property managers. The GreenGuide is applicable across all asset classes and aims to reduce their energy water, waste and overall carbon footprint.

Under French Grenelle 2 legislation, introduced in 2013, closer liaison with occupiers will become a legal requirement, as all new commercial property leases on premises larger than 2,000 square meters are now required to have an environmental addendum that includes terms on sharing data, regular monitoring of environmental performance and a programme to improve environmental performance.

At our UK residential portfolio, tenant exit surveys are conducted to gather feedback and information on areas for improvement, and we emailed all occupiers encouraging them to participate in Earth Hour.

Communication

PR 23	Mandatory	Core Assessed	PRI 6
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PR 23.1	Indicate if your organisation proactively discloses ESG information on your property investments.
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Disclose publicly

provide URL

<http://www.mandg.co.uk/institutions/realestate/responsible-investing/>

PR 23.2	Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.
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- Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- Other property reporting standards, specify
EPRA, INREV
- No property specific reporting standards are used

PR 23.3	Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries.
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Yes

PR 23.4

Indicate the type of ESG information that your organisation proactively discloses to the public and/or your clients/beneficiaries.

- ESG information on how you select property investments
- ESG information on how you monitor and manage property investments
- Information on your property investments' ESG performance
- Other, specify

Fund specific reporting is also published including performance data at fund level, and case studies of ESG activities (at property, fund and portfolio level)

PR 23.5

Indicate your organisation's typical frequency of disclosing ESG information to the public and/or your clients/beneficiaries.

- Quarterly or more frequently
- Semi annually
- Annually
- Every two years or less frequently
- Ad-hoc, specify

PR 23.6

Describe the ESG information and how your organisation proactively discloses it to the public and/or clients/beneficiaries. [Optional]

Our main Responsible Property Investment Report and associated Supplementary Performance Report are both published annually, covering our entire global portfolio. Both documents are posted to our website, and a mass email informs our key occupiers, business contacts and staff of the publications' availability and some of the key messages.

On the majority of our individual Funds, we report quarterly on performance to the clients. The report includes details of environmental performance and other key sustainability issues, such as the Fund's GRESB score or EPC ratings, as appropriate. Similarly, Annual Business Plans are published for clients and contain information on planned Responsible Investment activities for the coming 12 months.

- No
- Disclose to clients/beneficiaries only
- No proactive disclosure to the public or to clients/beneficiaries