June 2026

2025 Entity Sustainability Report

M&G Investment Management Limited, M&G Alternatives Investment Management Limited and M&G Securities Limited

This report, covering the reporting period 1 January to 31 December 2025, sets out our disclosures for assets managed and administered by the following entities, in accordance with FCA's Policy Statements 21/24 (TCFD) and 23/16 (SDR) as implemented through the ESG Sourcebook:

- M&G Investment Management Limited (MAGIM)
- M&G Alternatives Investment Management Limited (MAGAIM)
- M&G Securities Limited (MGSL)

The disclosures in this report, including cross-references to M&G plc group disclosures, fulfil the regulatory requirements under the following specific sections:

- ESG Sourcebook chapters 2.1 and 2.2 document entity reporting requirements for our entities in scope of the disclosure rules, covering MAGIM, MAGAIM and MGSL.
- ESG Sourcebook chapters 5.4 and 5.6 document entity reporting requirements for our 'sustainability in-scope business' under the Sustainability Disclosure Requirements (SDR) framework. MAGAIM and MGSL fall in scope in their capacity as authorised fund managers for unauthorised UK AIF and UK authorised (eg UCITS) funds respectively[1].

The report outlines how MAGIM, MAGAIM and MGSL consider sustainability-related matters when managing assets, covering their approach to governance, strategy and risk management, as well as relevant metrics and targets. The TCFD Entity Report for the three in-scope entities outlined above forms part of this overall Sustainability Entity Report.

Joseph Pinto
Director of MAGIM and MAGAIM
June 2026

Laurence Mumford
Director of MGSL
June 2026

[1] MAGAIM is a full-scope UK AIFM in scope of TCFD and SDR under ESG 1A.1.1 and ESG 3.1.2R(3) of the FCA's ESG Sourcebook respectively. MGSL is a super ManCo (UK UCITS and AIF management company) in scope of TCFD and SDR under ESG 1A.1.1 and ESG 3.1.2R(3) of the FCA's ESG Sourcebook respectively. MAGIM is a MiFID investment firm providing portfolio management services, in scope of TCFD under ESG 1A.1.1 of the FCA's ESG Sourcebook.

Summary

As required by the FCA's ESG Sourcebook, this report covers the disclosures relevant to the assets managed and administered by MAGIM, MAGAIM and MGSL.

Our disclosures are structured around the four pillars of the Taskforce on Climate-related Financial Disclosures (TCFD) framework and IFRS sustainability disclosure standard (IFRS S1): governance, strategy, risk management and metrics and targets in relation to managing sustainability-related risks and opportunities.

The disclosures also reflect relevant TCFD Annex material (set out in the 'Guidance for All Sectors' and supplementary 'Asset Managers' guidance).

MAGIM, MAGAIM and MGSL are wholly-owned subsidiaries of M&G plc (herein also referred to as 'the Group'). As such their approach to managing climate risks and opportunities is aligned with the Group, and this report relies on and cross-refers to the Group-level disclosures published in the M&G plc 2025 Annual Report and Accounts (ARA), supplemented by entity-specific information where appropriate. The table on the following page signposts the location of disclosures for each entity.

<table>
<tr><th rowspan="2">Pillar</th><th rowspan="2">Recommended disclosures</th><th colspan="4">For further information, please refer to:</th></tr>
<tr><th>M&G plc ARA 2025</th><th>MAGIM</th><th>MAGAIM</th><th>MGSL</th></tr>
<tr><td rowspan="2">Governance</td><td>Board’s oversight of sustainability-related risks and opportunities</td><td>Sustainability in our organisation: pages 53-54</td><td colspan="3" rowspan="2">This report: pages 8-11</td></tr>
<tr><td>Management’s role in assessing and managing sustainability-related risks and opportunities</td><td>Sustainability in our organisation: pages 53-54
Climate risk management: pages 62-63</td></tr>
<tr><td rowspan="3">Strategy</td><td>Sustainability-related risks and opportunities the organisation has identified</td><td>Climate and investments: pages 60-61
Climate risk management: pages 62-63
Developing our approach to nature: pages 72-73</td><td colspan="3" rowspan="3">This report: pages 12-14, 23-26</td></tr>
<tr><td>The impact of any material sustainability-related risks and opportunities on the organisation’s businesses, strategy and financial planning</td><td>A focused, collaborative and evolving approach: page 52
Navigating environmental risks and opportunities: page 58
Climate and investments: pages 60-61
Climate risk management: pages 62-63
Developing our approach to nature: pages 72-73</td></tr>
<tr><td>Resilience of the organisation’s strategy to identified risks</td><td>Climate risk management: pages 62-63
Portfolio alignment and Scenario analysis: pages 70-71
Financial statements: from page 158 (Notes 1, 13, 15, 17, 24, 31)</td></tr>
<tr><td rowspan="3">Risk management</td><td>Processes for identifying and assessing sustainability-related risks</td><td>Climate risk management: pages 62-63
Risk management: pages 40-48</td><td colspan="3" rowspan="3">This report: page 14</td></tr>
<tr><td>Processes for managing sustainability-related risks</td><td>Climate risk management: pages 62-63
Risk management: pages 40-48</td></tr>
<tr><td>Integration of sustainability-risks into overall risk management</td><td>Climate risk management: pages 62-63
Risk management: pages 40-48
Sustainability in our organisation: pages 53-54</td></tr>
<tr><td rowspan="3">Metrics and Targets</td><td>Metrics used by the organisation to assess sustainability-related risks and opportunities in line with its strategy and risk management process (Investments)</td><td rowspan="3">Climate metrics (investments): pages 67-69
Portfolio alignment and Scenario analysis: pages 70-71
Progress against targets in 2025: page 59</td><td rowspan="2">This report:
Climate: pages 15-19</td><td rowspan="2">This report:
Climate: pages 15 and 19
Other: pages 20-21</td><td rowspan="2">This report:
Climate: pages 15-16 and 18
Other: pages 20-21</td></tr>
<tr><td>Greenhouse gas emissions (Investments)</td></tr>
<tr><td>Targets used to manage sustainability-related risks and opportunities and performance against targets (Investments)</td><td colspan="3">This report: pages 12-13</td></tr>
</table>

Disclosures in relation to products with sustainability labels / sustainability characteristics within ESG 5.6.4R	For further information, please refer to:
Resources, governance and organisational arrangements in place, commensurate with the achievement of the product’s sustainability objective / investment policy and strategy for the product	This report: pages 10-11
Due diligence processes in place around selection of any data or other information used (including when third-party ESG data or ratings providers are used) to inform investment decisions for the sustainability product	This report: page 11

Entities in scope

MAGIM, MAGAIM and MGSL are regulated entities and subsidiaries of M&G Group Limited (MGG). MGG is one of the main subsidiaries of M&G plc, and acts as the main holding entity for M&G plc's Asset Management business (also herein referred to as 'we', 'our', 'us' or 'M&G Investments') which manages assets across a broad range of investment strategies and asset classes.

As a significant component of MGG, MAGIM offers wholesale and institutional clients access to a range of investment products and services covering both public and private markets. MAGAIM is an Alternative Investment Fund Manager (AIFM) with its portfolio primarily comprising infrastructure assets, structured under the Group's Infracapital business. MGSL is the authorised fund manager for a variety of UK collective investment schemes (including Open-Ended Investment Company funds, Alternative Investment Funds and Authorised Contractual Schemes), acting in different capacities depending on the legal structure of the fund. MGSL has appointed MAGIM to perform portfolio management functions with respect to its fund assets; for example ensuring the portfolios are managed in line with target exposures and limits, managing cash flows and other fund dynamics.

Given that our approach to governance, strategy and risk in relation to sustainability is managed on an integrated basis across MGG and is consistent across TCFD and SDR-in scope entities, we have deemed it appropriate to prepare one combined report for MAGIM, MAGAIM and MGSL. As such, the report details M&G Investments' overarching governance, strategy, and risk management policies and processes, with entity-specific information disclosed where appropriate, and separate sections provided with relevant metrics for each entity.

As subsidiary entities of M&G plc, the sustainability strategy of MAGIM, MAGAIM and MGSL support the Group's sustainability framework and targets.

However, the strategy for a particular product, asset class or investment varies by mandate and may be more tailored to supplement the overall approach taken by the Group or at subsidiary level. This disclosure should not be taken as applicable to a specific product or investment strategy but as indicative of our wider approach as a business. Investors should refer to relevant product documentation for details of approaches, targets and commitments pursued by specific products.

Approach to sustainability

M&G plc sustainability framework

We recognise that challenges such as climate change, nature loss and social issues require change across the real economy. The Group's sustainability framework, which guides our approach, focuses on two themes: 'Resilient planet' and 'Resilient societies'. These are underpinned by a set of responsible business practices, aligned with the Group's values of care and integrity, and encompass our work on climate, including developing our approach to nature, as well as our engagement with communities and people.

M&G Investments, as the Group's Asset Management business, supports the broader Group strategy of M&G plc. As a long-term investor across a range of asset classes, we can enable our clients to transition their investments to a low-carbon economy by investing in businesses that are driving and innovating sustainable products and services, and using our influence as active investors to encourage positive behaviours.

ESG integration and sustainable investing

We consider ESG integration to be the explicit and systematic inclusion of financially material ESG factors (both risks and opportunities) into investment analysis and investment decisions. Our approach is based upon three core principles:

- Embed sustainability – We embed financially material ESG factors into investment and risk management decisions to contribute to long-term performance.
- Influence change – The long-term success of a company is supported by effective investor stewardship, which in our view includes the integration of sustainability considerations into its strategy and high standards of corporate governance. We actively collaborate with a range of our investees to advance sustainable investing outcomes.
- Provide solutions – We offer a diverse choice of products that align to our clients' investment objectives including sustainability preferences. Our sustainable investing expertise supports a range of impact and sustainable investing solutions.

The M&G Investments ESG Integration and Sustainable Investing Policy, which can be viewed here, summarises the framework we use to integrate ESG matters into our established investment processes. While implementation will vary by fund strategy and asset class, our approach constitutes common practices that are incorporated broadly across our investment platform as core elements of our investment philosophy.

Assets invested pursuant to, or considered to be in alignment with, our ESG integration and sustainable investing approach do not necessarily qualify as 'sustainable investments' as defined by relevant regulations or labelling regimes.

For funds with an explicit sustainability mandate (sustainability label or with sustainability characteristics), information on specific commitments, approaches and outcomes are detailed within the fund prospectuses and other disclosures available on the fund webpage.

M&G Investments' core screening

Our sustainability approach includes consideration of core topics as well as more targeted considerations for funds with sustainability characteristics and sustainability labels.

To satisfy our investment objectives and comply with legal and regulatory obligations, M&G Investments have identified some topics as having a disproportionate impact on investment returns and risk, eg where an activity is deemed to be significantly harmful. Such topics are reflected in position statements or policy updates and prioritised, where relevant.

These topics include controversial weapons, thermal coal and global norms. We apply additional exclusions at a product level, for example in response to regulatory requirements within certain jurisdictions, specific client preferences and for products with sustainability characteristics or sustainability labels. Details of such exclusions are set out within product documentation on the respective fund webpage.

Approach to sustainability (continued)

The below summarises M&G Investments' approach to core screening topics referenced on page 6.

Sustainability topic	Context
Controversial weapons	Controversial weapons are those that cause indiscriminate and disproportionate harm. Use of controversial weapons is banned in many jurisdictions under international and national laws, some of which also prohibit investment in certain types of weapons and activities. Exclusion is necessary to meet our own and our clients legal and regulatory obligations and reflects our values as a responsible investor. We use third-party data providers as well as proprietary research to identify and list companies flagged for involvement in controversial weapons. For in scope funds[2], M&G Investments will not knowingly hold any equity or debt instruments issued by corporate entities involved in controversial weapons. For private real estate investments (equity and debt), we will not acquire or lend against any buildings where companies on the exclusion list are already in occupation. Our approach is outlined within our policy, available **here**.
Thermal coal	For issuers that are exposed to thermal coal activities, we operate a Thermal Coal Investment Policy which applies to all listed equity and public debt instruments[3]. The policy was refreshed in 2026 and sets out thresholds we expect companies to comply with. Investments assessed to be in clear breach of the thermal coal thresholds and lacking a credible transition plan will be classified for divestment and considered for exclusion from further investment. Further details on the policy and its full scope can be viewed **here**.
Global norms	Products classified under Article 8 or 9 of the EU Sustainable Finance Disclosure Regulation (SFDR) or with a label under the UK Sustainable Disclosure Regulation (SDR) and/or as ESG Enhanced, Sustainable and Impact under M&G's ESG Product framework categorisation, exclude investments in companies that are flagged as violators of global norms. For other strategies, global norms violations are a key engagement trigger, and our portfolios are monitored for such violations, or potential violations, using a variety of data providers and ongoing controversy monitoring. For funds without an exclusion, we seek to positively influence company behaviour. M&G's process on Global Norms aims to exclude (from funds which apply such an exclusion) companies which are involved in cases of serious controversies or incidents which indicate one or multiple potential failures by the company relating to the environment, human rights, labour rights or bribery & corruption. The Global Norms Committee is responsible for overseeing such cases. Our approach to Global norms screening is outlined in our **M&G Investments ESG Integration and Sustainable Investing Policy**.

We continue to drive integration of ESG into our actively managed product offerings, to assess those that could impact investment performance. M&G plc's ARA (pages 60-63) sets out how sustainability risks and opportunities are being addressed by the wider business.

[2] This policy applies to all assets under management for funds where M&G Investments has full discretion, including those funds sub-advised by other managers. For segregated mandates and single investor funds, where the client does not wish to apply the policy, opt out may be agreed by exception, subject to relevant regulatory requirements being met. The exclusion policy does not apply to the holdings of external products, like index derivatives, ETFs, securitised assets, third party funds and trackers. The real estate exclusions list only includes publicly listed companies due to the lack of data available for private companies. Sovereigns are excluded from the policy.

[3] This policy applies to all in-scope assets under management from public market funds and private market funds where M&G Investments has full discretion, including those funds sub-advised by other managers. For segregated mandate and single investor funds, application of this policy is subject to client consent. This policy does not apply to sovereigns.

Governance

MAGIM, MAGAIM and MGSL are subsidiaries of MGG and, as such, their governance arrangements sit within the wider governance framework of MGG.

MAGIM, MAGAIM and MGSL boards are responsible for interpreting and applying the Group strategy within the context they operate in, while accountability for setting the Group-wide sustainability strategy ultimately rests with the M&G plc Board. The membership and composition of the MAGIM and MAGAIM boards mirror that of their parent company, MGG. MAGIM and MAGAIM hold joint board meetings with MGG. The chair of the MGG Board also sits on the M&G plc Board, facilitating information sharing on relevant issues and policy decisions. The MGSL Board holds specific oversight duties as part of its remit, including supervision of services provided by MAGIM and regulatory reporting which includes sustainability reporting. Both boards receive periodic updates on progress against strategic actions throughout the year.

The entity boards are supported by sub-committees, management-level committees, forums and teams that have responsibility for overseeing and monitoring broader sustainability and climate-related matters.

Key delegations at the MGG Board sub-committee level are:

- The MGG Risk Committee oversees financial and non-financial risks faced by MGG and its subsidiaries. It is also accountable for overseeing compliance with the Group Risk Management Framework, which embeds sustainability and climate considerations, and related policies and practices.
- The MGG Audit Committee assists the boards in fulfilling oversight responsibilities relating to material entity-level regulatory disclosures in respect of climate and sustainability matters, and associated controls and procedures.

At the management level, the MGG Executive Committee holds responsibility for sustainability across all of MGG's activities. The Sustainability Steering Committee (SSC) has delegated responsibility from the MGG Executive Committee for defining and driving the sustainability strategy and implementation across the business.

Governance (continued)

The Sustainable Investing Standards Committee (SISCo), a sub-committee of the SSC, is established to maintain standards in Sustainable Investing through the oversight of day-to-day investment matters pertaining to the application of sustainability regulations, frameworks, policies and restrictions.

The SISCo further delegates a number of decisions to specialised sub-committees:

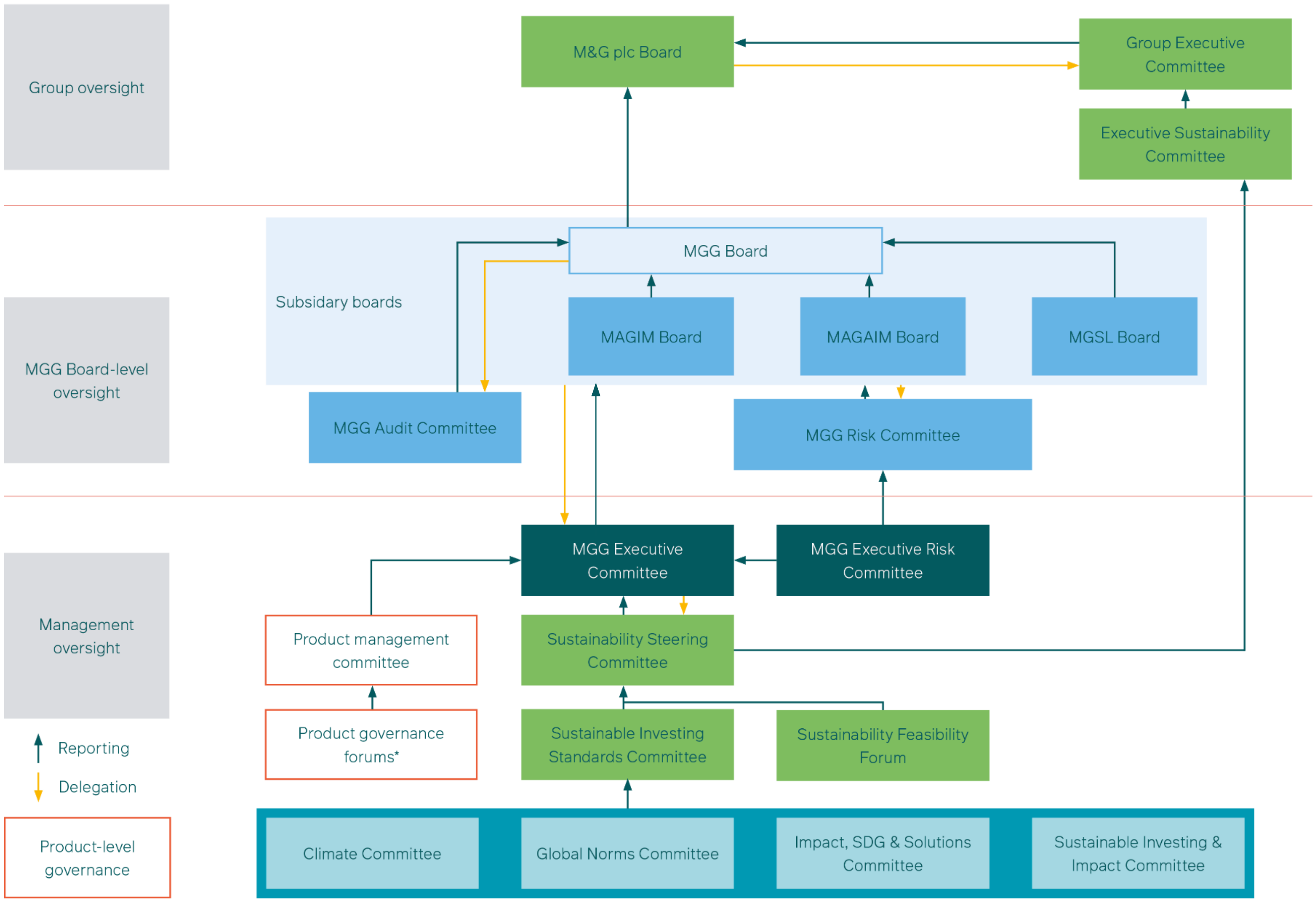
- The Climate Committee has delegated authority to consider and decide outcomes to appeals relating to the M&G Investments Thermal Coal Investment Policy.
- The Global Norms Committee has delegated authority on behalf of M&G Investments to consider if companies are in violation of Global Norms.
- The Impact, Sustainable Development Goals (SDG) & Solutions Committee has delegated authority to provide independent oversight of M&G's Impact, SDG and Sustainability Solution Provider lists, utilised by funds holding public securities.
- The Sustainable Investing & Impact Committee has delegated authority to ensure consistent application of Impact and Sustainable Investment frameworks, approaches across the private markets funds, and to provide independent judgement, where required, of impact and sustainability ratings and assessment.

The three Chief Investment Officers (CIOs) of our investment teams (Equities, Multi-asset and Sustainability; Fixed income; and Private markets) together with the heads of product and distribution, report into the Chief Executive Officer (CEO) of M&G's Asset Management business, who in turn reports into the Chief Executive of M&G plc.

Communication across the Group is facilitated by cross-committee membership, with the Asset Management CEO sitting on the M&G plc Group Executive Committee and Executive Sustainability Committee (ESC). The ESC, chaired by the Group Chief Sustainability Officer, is responsible for supporting the successful execution of the Group's sustainability strategy, policy, public sustainability commitments, material communication and disclosures. The ESC also oversees the delivery, progress and approvals in relation to Asset Management sustainability public commitments and targets. Some SSC members also attend ESC meetings and provide regular updates through a standing business update agenda item.

Financial planning is conducted at the Group level, and includes considerations for MGG. The plan includes income or expenditure related to our climate actions where we have a reasonable estimate of the value that is expected to materialise over the plan period (three years).

The chart below summarises relevant aspects of the governance structure:



This overview only shows relevant reporting lines for entities in scope of this report. It does not show all entities in M&G's Asset Management Business.

* The Product Development and Management Meeting and private equivalents, as set out on page 11. The product governance forums escalate to the Product Management Committee, except the Private Markets Leadership Meeting which escalates to the MGG Executive Committee.

Governance (continued)

Governance and organisational arrangements for products that have a sustainability label or sustainability characteristics

Consideration of sustainability-related product features is embedded in the MGG product development and management process and subject to the same governance and organisational arrangements as all other new product development and product change initiatives. There are no additional dedicated governance forums or business functions other than those detailed below and on pages 8-10 for products with sustainability labels or funds with sustainability characteristics as defined by the FCA.

The Product Development and Management Meeting (PDMM) holds responsibility for providing appropriate challenge, debate and consideration of public asset product and mandate initiatives - including those under the M&G ESG Product Framework classification and external or regulatory ESG classifications (e.g. SFDR for M&G Luxembourg funds managed from the UK and SDR for UK-domiciled funds). Forums are in place to perform a similar function for private asset product and mandate initiatives, including the Private Markets Leadership Meeting, Private Markets and Real Estate Product Change Meetings.

Sustainability-related governance forums and resources described on page 9 also form part of governance relevant to the ongoing management of the products with a sustainability label or sustainability characteristics. In particular, the SISCo approves frameworks that are used in the application of sustainability features to these products. For example, the Transition Assessment Framework applied by products with FCA's Sustainability Improvers label is subject to SISCo approval.

For products with FCA's Sustainability Impact label, the Impact, SDG & Solutions Committee provides independent oversight of impact assessments for securities held within the fund.

Sustainability data and due diligence

We use third-party data providers to inform and monitor the integration of sustainability considerations across investment activity, stewardship engagement, as well as for reporting purposes. For products with sustainability objectives or characteristics, our products apply a variety of investment approaches which leverage sustainability data from providers - for example, minimum ESG inclusion criteria, systematically applied screens which exclude investments that have particular characteristics or cap on the proportion of revenue generated from certain activities.

The Market Data team is responsible for monitoring the ongoing relationship with the service and research providers and for reviewing the overall quality of service provided. Strategic relationships, including MSCI, LSEG and Bloomberg, are subject to regular service reviews on a monthly or quarterly basis. Non-strategic contracts are reviewed and renewed on an annual basis to assess ongoing business requirements.

Our approach to ESG data provider selection is outlined in the M&G Investments stewardship reporting. It assesses preferred vendors for particular requirements including data availability, data quality, relevance, coverage, transparency and regulatory compliance.

Strategy

The Group's sustainability framework, 'Resilient planet' and 'Resilient societies', guides M&G Investments' approach to sustainability, including its stewardship activities, to create long-term value for clients and beneficiaries. It is supported at an M&G Investments level through sustainability-related frameworks and policies, such as our M&G Investments ESG Integration and Sustainable Investing Policy, and additional materials covering core screening topics as outlined on page 7.

Resilient planet

We recognise the scale of challenges such as climate change and nature loss and that these can interact to create issuer-specific and economy-wide risks. As a responsible investor, we need to assess these risks, to understand the resilience of existing and prospective investments.

Our approach to supporting real-economy decarbonisation across our investment portfolios is centred around the three levers of our Climate Action Framework: Grow, Align and Reallocate. More details are provided on the next page.

In 2025, M&G plc published an updated Climate Transition Plan which describes how we manage related risks and opportunities on behalf of our clients, and provides our stakeholders with an understanding of how we are supporting the shift to a low-carbon economy. M&G plc also published a paper on nature, setting out how we are developing our approach to this topic. Both these documents are available to view on our Group website.

For more information on climate and our investments see M&G plc's ARA pages 60-61. Information on our approach to nature can also be found on pages 72-73.

Resilient societies

Navigating existing and emerging sustainability risks and opportunities is key to our long-term financial resilience and growth, this includes helping to strengthen financial confidence and build communities.

We have a number of investment strategies where we aim to contribute to positive societal outcomes - for example, by investing in social housing, infrastructure and small businesses, delivering financial returns alongside social benefits and helping to build resilient communities.

We work with our investee companies to ensure they meet our expectations. As part of its wider stewardship approach, our social engagement programme focuses on diversity, inclusion and human rights as one of their thematic focus areas.

Since publishing expectations around board-level diversity in 2022, we have seen discernible improvement among the focus list of 202 laggard companies with 159 increasing their level of female representation and 106 fully meeting our gender diversity expectations within 2024. In 2025 we continued to close out our outstanding diversity and inclusions engagement objectives. In total we closed out eight, of which six were deemed successful.

For more information on contributing to positive outcomes for society see M&G plc's ARA pages 75-77.

Strategy (continued)

Our approach to supporting real-economy decarbonisation across our investment portfolios is centred around the three levers of our Climate Action Framework: Grow, Align and Reallocate.

Grow

Providing choice to our customers and clients and seeking to create the conditions for assets that support climate mitigation and adaptation to grow.

Align

Aligning assets with climate goals through active ownership while also engaging policy makers to support a successful transition.

Reallocate

Monitoring climate risk exposure and considering reallocation where appropriate.

Climate targets

To support the Group's 2050 net zero goal across operations and investments, we have set a number of interim targets that guide near-term delivery of our ambition. We believe our asset alignment target, supported by a minimum engagement threshold, provides a more holistic measure of the alignment of issuers with global climate goals than measuring portfolio decarbonisation alone.

Asset alignment

Target: 50%-70% of FCE from in-scope[i] assets assessed to have set robust GHG targets and transition plans by 2030

Performance in 2025: 37% (2024: 40%)
A range of factors have driven changes within and between asset alignment categories, including upgrades and downgrades of issuers based on our assessments and movements in FCE of key issuers.

Engagement

Target: Aim to maintain at least 70% of FCE from listed equity and corporate bonds as assessed to have robust transition plans, or subject to climate-related engagement

Performance in 2025: 64% (2024: N/A)
New processes were established in 2025 to support delivery of our updated engagement target, which we will work to meet in 2026 and maintain going forwards.

Portfolio Decarbonisation

Targets:

- 50% reduction in Scope 1 and 2 emissions intensity (tCO_2e/$m invested) for in-scope[i] listed equity and corporate bonds by 2030.
- 36% reduction in Scope 1 and 2 emissions intensity ($kgCO_2/m^2$) for in-scope real estate assets by 2030.

Performance can be found on page 59 of the M&G plc's ARA.

[i] The assets in scope are listed equity and corporate bonds managed by M&G Investments on behalf of The Prudential Assurance Company Limited (PAC - the Group's Life business), where PAC has sufficient investment control.

Risk management

In line with the wider Group, we operate a 'three lines of defence' model to govern our approach to risk management, which provides a framework of responsibilities and accountabilities across the business.

From a first line perspective, investment teams are responsible for identifying, assessing and managing sustainability risks (inclusive of climate), alongside other risks to investments. Investment desks are supported by the Stewardship and Sustainability (S&S) team, which acts as a dedicated central ESG resource for the whole of M&G Investments, providing tools, training and resources to our relevant investment professionals to allow them to consider financially material sustainability risks and opportunities for the issuers they cover.

Sustainability-related risks and opportunities are considered within the investment lifecycle, with the detailed framework by asset class described within the M&G Investments ESG Integration and Sustainable Investing Policy, which applies to all investments we manage across MAGIM, MAGAIM and MGSL. We leverage proprietary ESG research and tools to aid the investment decision-making process as laid out in the policy, to oversee compliance with our sustainability and climate related targets and restrictions. For example, our Corporate ESG scorecard[4] provides a quantitative assessment of an issuer's overall ESG performance as well as performance against the separate environmental, social or governance factors which have been assessed.

Stewardship is an important part of our approach, through engagement with issuers to encourage action to address material ESG risks and take advantage of opportunities. Further information on our stewardship activity is available within the M&G Investments stewardship reporting published here.

We maintain a 'Sustainability Academy' on our internal learning platform, giving investment personnel access to bitesize training videos on a wide range of relevant topics which affect investment teams. The Sustainability Academy also includes a selection of courses specific to investment employees.

Our Risk and Compliance functions act as the second line of defence, responsible for reviewing and challenging risk management practices by the first line and providing guidance. As part of its remit, the Group's Sustainability Compliance function also monitors emerging sustainability-related regulatory requirements through horizon scanning, and provides advisory support on integration across the relevant activities of the business.

The Group's Internal Audit function represents the third line. It supports the entity-level boards and senior management by providing independent assurance over the first and second lines of defence.

The sustainability risks identified by the wider Group apply to MAGIM, MAGAIM and MGSL. Detail on these risks, including time horizons, can be found in the M&G plc ARA (pages 43, 62 and 63).

[4] The Corporate ESG Scorecard is a way in which M&G Investments may present certain types of sustainability research. As it is research, it is available to the fund managers to inform their investment decision making, if they wish, but they are not obliged to use it unless required due to commitments made within fund materials. Where the fund makes such commitment, it is explicitly disclosed in the relevant Prospectus and/or other legal documentation as a binding part of the investment process. As at the date of this disclosure, the only funds making such commitments were funds investing in Private markets. There is also no obligation to produce the Corporate ESG Scorecard for every investment made.

Sustainability metrics

In preparing our metrics disclosed within this entity report, we have utilised the following reporting frameworks to demonstrate our approach to sustainable investing: TCFD, Sustainability Accounting Standards Board (SASB) and the Sustainable Finance Disclosure Regulation (SFDR) to guide the selection of our reported sustainability metrics. Climate metrics are disclosed for MAGIM, MAGAIM and MGSL which are in scope for TCFD reporting. Additional sustainability metrics have been reported for MAGAIM and MGSL, which are the two in-scope entities under SDR. These metrics comprise the amounts of assets under management that employ integration of ESG issues, sustainability themed investing and screening at an M&G Investments level.

Climate metrics

Across our investment portfolios we produce a range of metrics to identify and assess climate-related risks and opportunities. This includes absolute emissions metrics as well as intensity-based indicators that enable comparison across different issuers and portfolios. In addition to backward-looking data, which indicates the current emissions profile of an asset or portfolio, we also use forward-looking metrics to assess transition alignment and potential impacts on asset values over time. While we monitor Scope 3 emissions as a proxy for risk exposure to inform targeted actions, such as engaging companies on transition plans, disclosure of Scope 3 emissions data by investee companies remains poor, which makes it less reliable for decision-making.

In preparing our climate financed carbon emissions metrics we consider the Partnership for Carbon Accounting Financials (PCAF) principles. We report data quality scores for our emissions metrics – covering listed equity and corporate bonds with both a known and unknown use of proceeds and sovereign debt emissions. The score is based on PCAF methodology and ranges from one to five, where one represents the highest data quality and five is the lowest.

Climate-related metrics reported in this section are calculated for the asset classes included and where there is coverage within these groups. In our analysis, 'coverage' refers to the proportion of in-scope assets under management and administration (AUMA) for which we have all environmental, financial, or other such data required in the calculation of the given metric (reported or estimated). Where there is a lack of data or robust methodologies we exclude certain assets from our reporting, including but not limited to derivatives and cash.

MAGAIM funds primarily invest in private infrastructure assets, for which the metrics are presented. MAGAIM has a negligible exposure to public corporate debt and real estate assets, and as such, the associated emission metrics have not been disclosed. MAGAIM does not have exposure to sovereign debt.

MGSL funds primarily operate in public markets, and do not have a material exposure to Green, Sustainable and Social Bonds, or private assets. As such, MGSL emissions are only disclosed for listed equity and corporate bonds, and sovereign debt.

Metrics for MAGIM cover both public and private asset portfolios.

Information on definitions of climate metrics reported and limitations of the data used are detailed in the Group's Environmental metrics Basis of Reporting ('Basis of Reporting'), published on M&G plc's website. In particular, it should be noted that we are reliant on data sourced from third-party data providers (e.g., MSCI and Bloomberg) to calculate the emissions metrics, which could be based on reported data or vendor estimates, and that methodologies used by these providers can vary significantly.

All figures presented reflect the annual emissions calculated with reference to in-scope AUMA of each asset class as at 31 December for each year. Our Basis of Reporting also sets out our policy on restatements. Details on any restatements and the impact on the previously presented metrics are set out in the relevant section below.

The methodology and data used to assess financed emissions and other sustainability-related metrics are evolving and maturing, and we expect industry guidance, market practice and regulations to continue to evolve. In line with this, we regularly review our approach, including the appropriateness of data sources and methodologies available for relevant metrics.

Sustainability metrics (continued)

Climate metrics – Listed equity and corporate bonds

MAGIM - Listed equity and corporate bonds	2025		2024	
	Value	Coverage	Value	Coverage
AUMA in-scope for metrics presented (£bn)	**158.8**	**N/A**	143.5	N/A
Financed carbon emissions Scope 1 & 2 ($ktCO_2e$)	**10,629**	**97%**	9,407	96%
Data quality score – Scope 1 & 2	**1.5**	**N/A**	2.1	N/A
Financed carbon emissions Scope 3 ($ktCO_2e$)	**92,880**	**97%**	73,229	96%
Data quality score – Scope 3	**2.3**	**N/A**	2.4	N/A
Carbon footprint Scope 1 & 2 (tCO_2e/£m invested)	**69**	**97%**	68	96%
Carbon footprint Scope 3 (tCO_2e/£m invested)	**605**	**97%**	532	96%
Weighted average carbon intensity (WACI) Scope 1 and 2 (tCO_2e/£m sales)	**140**	**93%**	133	92%
Weighted average carbon intensity (WACI) Scope 3 (tCO_2e/£m sales)	**935**	**93%**	860	92%

MGSL – Listed equity and corporate bonds	2025		2024	
	Value	Coverage	Value	Coverage
AUMA in-scope for metrics presented (£bn)	**56.9**	**N/A**	51.5	N/A
Financed carbon emissions Scope 1 & 2 ($ktCO_2e$)	**3,566**	**97%**	3,513	97%
Data quality score – Scope 1 & 2	**1.4**	**N/A**	2.1	N/A
Financed carbon emissions Scope 3 ($ktCO_2e$)	**38,057**	**97%**	31,805	97%
Data quality score – Scope 3	**2.2**	**N/A**	2.3	N/A
Carbon footprint Scope 1 & 2 (tCO_2e/£m invested)	**64**	**97%**	70	97%
Carbon footprint Scope 3 (tCO_2e/£m invested)	**687**	**97%**	636	97%
Weighted average carbon intensity (WACI) Scope 1 & 2 (tCO_2e/£m sales)	**141**	**95%**	139	95%
Weighted average carbon intensity (WACI) Scope 3 (tCO_2e/£m sales)	**1,015**	**95%**	923	95%

In 2025, Scope 1 & 2 emissions for both MAGIM and MGSL increased, primarily due to changes in attribution factors driven by financial market movements[5], although due to the differences in portfolios across the two entities the impact of these movements was much more limited for MGSL. For both entities these increases were partially offset by reductions in the emissions data reported by a large number of issuers. Scope 3 emissions also increased for both entities again largely due to financial market movements[5] and larger in-scope AUMA, coupled with a number of investee companies starting to report against additional Scope 3 categories for the first time. Increased reporting across Scope 3, where data was already partially reported, will not flow through to an increase in coverage.

[5] The timing of an issuer's reporting sometimes results in EVIC (Enterprise value of the investee company) data from previous reporting periods being mapped to our current portfolio holdings, creating a temporary effect of inflating our share of the issuer's financing in a market with rising stock prices.

Sustainability metrics (continued)

Climate metrics – Green, Sustainable and Social Bonds

MAGIM – Green, Sustainable and Social Bonds	2025		2024	
	Value	Coverage	Value	Coverage
AUMA in-scope for metrics presented (£bn)	**10.0**	**N/A**	9.1	N/A
Financed carbon emissions Scope 1 & 2 (ktCO_2e)	**260**	**97%**	225	96%
Data quality score – Scope 1 & 2	**1.6**	**N/A**	2.2	N/A
Financed carbon emissions Scope 3 (ktCO_2e)	**2,435**	**95%**	1,792	95%
Data quality score – Scope 3	**2.4**	**N/A**	2.4	N/A
Carbon footprint Scope 1 & 2 (tCO_2e/£m invested)	**27**	**97%**	26	96%
Carbon footprint Scope 3 (tCO_2e/£m invested)	**255**	**95%**	208	95%

In 2025, the increase in Scope 1 & 2 emissions metrics for MAGIM was driven by new in-scope investments, partially offset by a reduction in emissions for some bonds where more accurate data has become available. The Scope 3 emissions increase for MAGIM was driven by a combination of new positions alongside one material issuer disclosing additional Scope 3 categories for the first time. Increased reporting across Scope 3, where data was already partially reported, will not flow through to an increase in coverage.

Sustainability metrics (continued)

Climate metrics – Sovereign debt

MAGIM - Sovereign debt	2025			2024		
	Value		Coverage	Value		Coverage
	Incl. LULUCF[6]	Excl. LULUCF[6]		Incl. LULUCF[6]	Excl. LULUCF[6]	
AUMA in-scope for metrics presented (£bn)	39.8		N/A	38.4		N/A
Production emissions (ktCO_2e)	8,945	9,025	99.7%	9,313	9,058	99.4%
Data quality score – production emissions	1.5	1.5	N/A	1.7	1.7	N/A
Consumption emissions (ktCO_2e)	10,338	10,421	99.7%	10,220	9,970	99.4%
Data quality score – consumption emissions	4.0	4.0	N/A	4.0	4.0	N/A
Weighted average production intensity (tCO_2e/PPP-adj GDP (USDm))	0.2	0.2	99.7%	0.2	0.2	99.4%
Weighted average consumption intensity (tCO_2e/Capita)	10.4	11.0	99.7%	10.6	10.9	99.4%

MGSL - Sovereign debt	2025			2024		
	Value		Coverage	Value		Coverage
	Incl. LULUCF[6]	Excl. LULUCF[6]		Incl.LULUCF[6]	Excl. LULUCF[6]	
AUMA in-scope for metrics presented (£bn)	5.6		N/A	5.7		N/A
Production emissions (ktCO_2e)	1,599	1,529	99.8%	1,738	1,670	99.2%
Data quality score – production emissions	1.6	1.6	N/A	1.9	1.9	N/A
Consumption emissions (ktCO_2e)	1,715	1,646	99.8%	1,791	1,726	99.2%
Data quality score – consumption emissions	4.0	4.0	N/A	4.0	4.0	N/A
Weighted average production intensity (tCO_2e/PPP-adj GDP (USDm))	0.2	0.2	99.8%	0.2	0.2	99.2%
Weighted average consumption intensity (tCO_2e/Capita)	10.4	11.0	99.8%	11.0	11.4	99.2%

In 2025, production emissions have decreased slightly for both entities due to reductions in emissions for the largest holdings in both MAGIM and MGSL portfolios. Production emissions including LULUCF were also impacted by a notable reduction in the net contribution from a single issuer.

For MAGIM's consumption emissions the increase was driven by increased allocation to certain sovereigns during the year. For MGSL, this was not the case and the emissions reductions from the largest holdings have resulted in a decrease in consumption emissions for 2025. Changes to population data, used to calculate weighted average consumption intensity, mean that increased emissions don't directly correlate to increased consumption intensity metrics.

[6] Land Use, Land Use Change and Forestry (LULUCF).

Sustainability metrics (continued)

Climate metrics – Private assets

MAGIM - Real estate	2025		2024 (restated)		2024	
	Value	Coverage	Value	Coverage	Value	Coverage
AUMA in-scope for metrics presented (£bn)	**33.4**	**N/A**	32.5	N/A	32.5	N/A
Financed carbon emissions Scope 1 & 2 (ktCO_2e)	**95**	**75%**	96	81%	106	80%
Financed carbon emissions Scope 3 (ktCO_2e)	**345**	**75%**	391	81%	484	80%
Carbon footprint Scope 1 & 2 (tCO_2e/£m invested)	**3.8**	**75%**	3.6	81%	4.1	80%
Carbon footprint Scope 3 (tCO_2e/£m invested)	**13.9**	**75%**	14.9	81%	18.5	80%

A change in the third-party platform used to calculate Real Estate emissions during the year has introduced greater automation and a more structured estimation hierarchy, which will improve accuracy over time. This change results in some smaller Scope 3 categories that were previously reliant on manual estimations no longer being reported. Due to the change, we have restated our 2024 emissions. Scope 1 and 2 emissions have stayed stable during the year. Scope 3 emissions recorded a decrease compared with restated 2024 figures, primarily due to operational efficiency improvements across key logistics and residential assets, coupled with disposals of older, less efficient assets.

MAGAIM - Infracapital	2025		2024	
	Value	Coverage	Value	Coverage
AUMA in-scope for metrics presented (£bn)	**3.1**	**N/A**	3.6	N/A
Financed carbon emissions Scope 1 & 2 (ktCO_2e)	**567**	**100%**	427	100%
Financed carbon emissions Scope 3 (ktCO_2e)	**146**	**85%**	68	83%
Carbon footprint Scope 1 & 2 (tCO_2e/£m invested)	**181**	**100%**	118	100%
Carbon footprint Scope 3 (tCO_2e/£m invested)	**55**	**85%**	23	83%

In 2025, Infracapital Scope 1 & 2 emissions increased due to the expansion of business operations for several assets. A number of our investee companies operate within a high climate impact sector, while actively supporting global decarbonisation. The increase in Scope 3 emissions is partially due to the increased operations referenced above, but also reflects more robust reporting practices across the portfolio. Several of our portfolio companies have been working with third parties over the last year to more accurately report their Scope 3 emissions, with a particular focus on supply chain emissions. Increased reporting across Scope 3, where data was already partially reported, will not flow through to an increase in coverage.

Incorporation of ESG factors in Investment Management

As outlined in the 'Approach to Sustainability' section, for our SDR in-scope entities we have disclosed assets under management that employ integration of ESG issues, sustainability themed investing and screening at an M&G Investments level. As MAGIM is outwith the scope of SDR we have not disclosed these metrics within this report, however they provide portfolio management services for a material proportion of M&G Investments' assets under management and employ the same approach.

Integration of ESG issues

Our general approach is to integrate ESG considerations into established investment processes rather than create separate processes. Given the breadth of asset classes we invest in, investment teams tailor their approach to ESG integration taking into account the specific portfolio construction, research and investment processes used by each team. We seek to integrate ESG across all investments as far as we are able and where it is financially material. For some investment strategies/financial instruments it is not currently feasible or appropriate to do so, eg externally-managed passive or ETF (exchange-traded funds) investment strategies or where requested by clients. The reasons for not applying the integration approach include (but may not be limited to) lack of an agreed methodology to assess sustainability risks, lack of data or poor data quality.

Sustainability themed investing

Products that have enhanced sustainability characteristics, such as SDR labelled or unlabelled funds and SFDR article 8 and 9 aligned funds, we consider to be sustainability-themed investing. These include the metrics presented below for our two SDR in-scope entities:

Amounts of assets in product with sustainability promotions:	MAGAIM		MGSL	
	2025	2024	2025	2024
EU SFDR Article 8 (£bn)	1.2 (24.6% total AUMA)	1.3 (25.5% total AUMA)	0	0
EU SFDR Article 9 (£bn)	0	0	0	0
UK SDR – labelled / unlabelled with sustainability characteristics[7] (£bn)	0	0	4.0 (6.2% total AUMA)	2.2 (3.7% total AUMA)

We apply screens, as described in the M&G Investments ESG Integration and Sustainable Investing Policy (section 2.4 'Approach to Exclusions') for all products with sustainability promotions included in the totals above. This includes negative/exclusionary screening such as the norms-based screening process set out on page 7.

Additional information on the value of M&G Investments' sustainability themed funds beyond the entities in scope of this disclosure can be found within the '1. SASB Disclosure' tab of the Group Sustainability Annex, available here.

[7] UK-domiciled funds meeting FCA's qualifying criteria to use a sustainability label under its SDR labelling regime (relating to products with a sustainability objective that aim to improve or pursue positive outcomes for the environment and/or society) or unlabelled funds with sustainability characteristics (funds available to retail investors containing sustainability-related terms in their name or marketing).

Incorporation of ESG factors in Investment Management

(continued)

Controversial weapons

Monitoring against the Controversial Weapons Policy outlined on page 7 covers funds where M&G Investments has full discretion, including those funds sub-advised by other managers. For segregated mandates and single investor funds, where the client does not wish to apply the M&G Investments Controversial Weapons Policy, an opt out may be agreed by exception, subject to relevant regulatory requirements being met. For private real estate investments (equity and debt), we will not acquire or lend against any buildings where companies on the exclusion list are already in occupation.

The share of in-scope investments involved in the manufacture or sale of controversial weapons within MGSL portfolios was 0% at December 2025 (2024: 0%)[8].

MAGAIM's portfolio primarily comprises infrastructure assets, structured under the Group's Infracapital business. Due to policy restrictions our Infracapital business doesn't have any exposure to controversial weapons[9].

Global norms

Application of norms-based screening, as set out on page 7, includes products classified under Article 8 and 9 of the EU Sustainable Finance Disclosure Regulation (SFDR), or with a label under the UK Sustainable Disclosure Regulation (SDR) and/or marketed as ESG Enhanced, Sustainable and Impact under M&G's ESG Product framework.

The share of investments in public investee companies (listed equities and corporate bonds) that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises[10] accounted for 0.2% (2024: 0.2%) of all MGSL's in-scope assets.

MAGAIM's portfolio primarily comprises infrastructure assets and during 2025 their exposure was 0% of total assets to companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises[11].

[8] For assets in-scope as outlined on page 7 and within our Controversial Weapon's Policy on our responsible investing pages of our website.

[9] MAGAIM also holds a small proportion of private equity, private and structured credit, fixed income and real estate also subject to the same controversial weapon's policy restrictions.

[10] The Global Norms Committee has delegated authority to consider if companies are in violation of Global Norms and should be excluded, monitored or engaged with.

[11] Disclosure of this metric relates to MAGAIM's Infracapital business, for full scope of the policy scope for global norms, please see page 7 and our M&G Investments ESG Integration and Sustainable Investing policy on our website.

Incorporation of ESG factors in Investment Management

(continued)

SDR

M&G Investments runs seven UK-domiciled ESG funds[12] sold to retail clients. These funds are listed below, differentiating between those that have a stated intention to achieve positive sustainability outcomes and meet the qualifying criteria for a FCA label and unlabelled funds. Information on the sustainability objective, approach and strategy can be found within the consumer-facing disclosure available on the fund webpage. The funds also have sustainability metrics, targets and key performance indicators defined to measure attainment of their sustainability goals, which are tracked and reported upon annually, also available on the fund webpage.

Fund	FCA label (under SDR regime)	Consumer-Facing Disclosure
M&G Positive Impact Fund	Sustainability Impact (effective February 2025)	LINK
M&G UK Sustain Paris Aligned Fund	Sustainability Improvers (effective April 2025)	LINK
M&G Global Sustain Paris Aligned Fund	Sustainability Improvers (effective April 2025)	LINK
M&G European Sustain Paris Aligned Fund	Sustainability Improvers (effective April 2025)	LINK
M&G ESG Screened Global High Yield Bond Fund	Unlabelled	LINK
M&G ESG Screened Global Corporate Bond Fund	Unlabelled	LINK
M&G Climate Aware Multi-Asset Fund	Unlabelled	LINK

Listed unauthorised alternative investment funds

Section 2.3.2 of the ESG Sourcebook requires a UK Alternative Investment Fund Manager (AIFM) that manages an unauthorised Alternative Investment Fund (AIF) listed on a recognised investment exchange to reference the AIF's product TCFD report in the AIFM's entity report. MAGAIM acts as the AIFM for one such AIF – the M&G Credit Income Investment Trust. The M&G Credit Income Investment Trust's TCFD product report is linked here.

[12] ESG funds for this purpose means collective investment schemes with sustainability features that are sold to retail investors and therefore within scope of the FCA's Naming and Marketing Rules, including funds with a sustainability label under its SDR labelling regime. It does not include funds that solely apply ESG integration and/or exclusions, although such funds would be compliant with the FCA's Anti-Greenwashing Rule.

Climate portfolio alignment and scenario analysis

Forward-looking metrics

In addition to backward-looking data, which indicates the current emissions profile of an asset or portfolio, we also use forward-looking metrics to assess transition alignment and potential impacts on asset values over time by leveraging scenario analysis tools.

Asset alignment

This is based on our Transition Assessment Framework (TAF) and captures several components of a company's transition plan, including whether they have credible science-based targets, actions to deliver their targets and supporting investment. It shows the percentage of financed emissions (all GHG scopes) for public assets that we have assessed to be 'not aligned', 'committed', 'aligning' or 'aligned' with climate goals based on the TAF.

Climate adjusted value (CaV)

This metric is equivalent to value at risk (VaR). We use the Aladdin Climate platform to model our listed equity, corporate bond and sovereign debt assets against three scenarios, to help us to assess the relative financial impacts of climate change across different global decarbonisation outcomes, including asset value at risk. It assesses the financial impact of climate change based on three Network for Greening the Financial System (NGFS) scenarios: orderly, disorderly and hot house, with orderly and disorderly being based on transition impacts and hot house being based on physical impacts.

The scenario modelling outputs from this analysis for MAGIM and MGSL are broadly in line with the aggregated results presented at a group level in the M&G plc Sustainability Annex. The group level results present CaV for equities, corporate debt and sovereign debt, disaggregated by industry to illustrate the anticipated impact across different sectors. These impacts are not materially different at entity level for MAGIM and MGSL, however MGSL's portfolio has a greater weighting to equities so is more exposed to impacts from this asset class.

Implied temperature rise (ITR)

This metric is an attempt to estimate the temperature trajectory an issuer or portfolio is on, providing a simple measure of alignment with the Paris Agreement goals.

The Aladdin Climate data and methodology is also leveraged to calculate ITR. The corporate model is currently applied to listed equity and corporate bonds. ITR is an intuitive way to gauge alignment with climate goals but there is no commonly accepted calculation approach for ITRs, and it is sensitive to sector and geographical emission assumptions, so needs to be interpreted with several limitations in mind. ITR is presented on the next page for the listed equities and corporate bonds held by MAGIM and MGSL.

Private asset climate hazard exposure

The metric shows potential physical climate risk impacts across private fixed assets, covering real estate and Infracapital. Physical risk exposures assessed include climate-related natural disasters, such as storms, flooding and wildfires.

To model the physical climate risk exposure of our real estate assets, we have appointed Munich RE´s Risk Management Partners GmbH to replace our previous provider of physical asset scenario modelling. See more detail on pages 25-26.

Assumptions

As with any model, these forward-looking metric results are heavily influenced by the assumptions made. We recognise that the climate models are based on stylised scenarios, and attempt to capture the possible future interplay between physical climate impacts, policy, regulation, and consumer behaviour at a global scale. The scenarios are not predictive, but rather help us explore a range of potential outcomes, and serve as a useful tool for interrogating and understanding how climate-related developments could impact the assets we manage and administer. For more detail on the limitations of scenario analysis see the M&G plc Environmental metrics Basis of Reporting.

Climate portfolio alignment and scenario analysis (continued)

Transition Assessment Framework (public assets)

Our asset alignment metric shows the percentage of public asset financed emissions (all scopes) we have assessed to be 'not aligned', 'committed', 'aligning' or 'aligned' with climate goals based on our TAF[13]. No issuer assessed has reached net zero emissions. The proportion of financed emissions from issuers that are 'aligning' or 'aligned' under the TAF is an interim target, with a target range of 50-70% by 2030 for in-scope assets[14] (see page 13).

Metrics disclosed include relevant in-scope public assets managed by MAGIM and MGSL.

TAF alignment	2025	2024
Not aligned (%)	48.5	46.2
Committed (%)	14.9	14.0
Aligning and aligned (%)	36.6	39.8

The proportion of financed emissions that are aligning or aligned has decreased slightly in 2025. A range of factors have driven changes within and between the asset alignment categories, including upgrades and downgrades of individual issuers based on our assessments of them and movements in the FCE of key issuers. Engagement activity, much of which was initiated in 2025, is yet to have a material impact.

Implied temperature rise (listed equities, corporate bonds) – MAGIM and MGSL

As part of our modelling, we have calculated the implied temperature rise (ITR) for each individual issuer where data is available (covering 93% of listed equities and corporate bonds for MAGIM and 96% for MGSL, as at 31 December 2025). The analysis shows that investee companies are aligned to a broad range of temperature outcomes with the weighted average warming potential across modelled issuers totalling 2.5°C for both MAGAIM and MGSL (2024: 2.5°C).

While the average across our modelled assets is higher than the Paris Agreement goals, this is consistent with the broader economy and therefore not surprising at this stage in the climate transition. We would expect the figure to improve as we work to meet our 2030 targets for in-scope assets and continue to carry out climate engagements with investees as part of our stewardship efforts.

We acknowledge that ITR is subject to a range of inherent limitations, including the absence of a commonly accepted calculation approach, and sensitivity to sector emissions assumptions. We do not use ITR in isolation but believe it provides useful indications of alignment when viewed in conjunction with other information. For a more detailed overview of ITR limitations, please refer to M&G plc's ARA (page 70).

[13] More details on our Asset Alignment target and Transition Assessment Framework can be found on pages 21-22 of the Group's 2025 Environmental metrics Basis of Reporting.

[14] The assets in scope are listed equity and corporate bonds managed by M&G Investments on behalf of the Group's asset owner (PAC), where PAC has sufficient investment control.

Climate portfolio alignment and scenario analysis (continued)

Climate scenario modelling private assets

We also model physical climate risks for M&G Real Estate and Infracapital assets. In 2025, we carried out a competitive tender process which resulted in the appointment of Munich Re Service GmbH to replace our previous provider of physical asset scenario modelling. Munich Re's Location Risk Intelligence Platform is an advanced geospatial tool that evaluates more than 28 hazard types - including drought, wildfire and earthquakes. Climate-driven risks are modelled for current conditions (2030) and future horizons (2050 and 2100) and under different decarbonisation pathways. This enables us to identify physical risks at specific asset locations and evaluate how our exposure may evolve over time and under different warming scenarios.

Assets are assessed against two pathways aligned with the IPCC's Sixth Assessment Report: a Moderate emissions scenario representing approximately 2.7°C of warming by 2100 and a Hot House scenario that corresponds with roughly 4.4°C of warming by 2100. The model produces a number of metrics, including 'climate expected loss', which shows the location- and peril-specific average annual loss to assets by natural hazard events. The analysis indicates that, across the period assessed and both businesses, these high-risk assets still represent a relatively small portion of the respective portfolios. While the outputs presented show the number of assets potentially impacted, we also examine the potential financial losses in each scenario, where possible.

Modelling Limitations

The model estimates direct impacts at an asset’s specific location, meaning that the outputs:

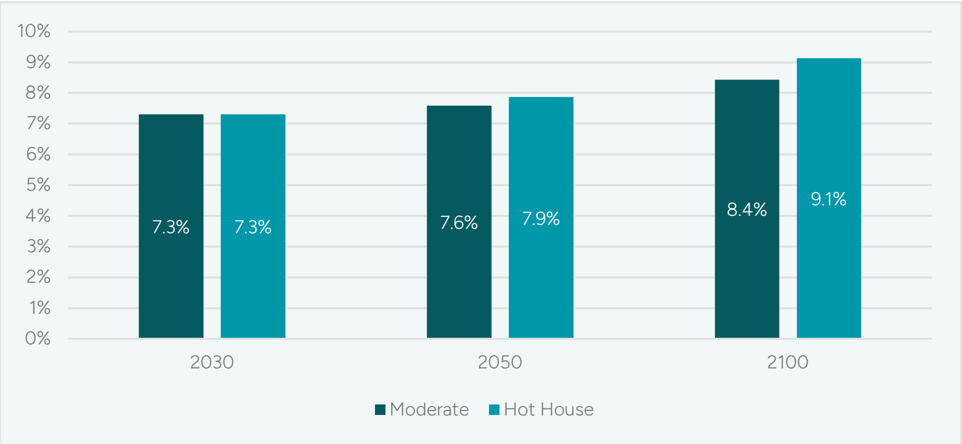
- focus only on physical damage at the asset’s location,
- consider only physical damage, not transition risk, and
- do not consider second-order financial impacts (e.g. business disruption and rising insurance premiums, tenant disruption, and infrastructure failures).

Climate scenario analysis is not a prediction, but an exploration of possible futures to better assess our risk exposures. A large number of data points and assumptions are required, meaning results can vary significantly between different models. Many factors, including climate system tipping points and second-order impacts, such as rising insurance premiums or supply-chain disruption, are not modelled explicitly and therefore the risks could be underestimated. We are wary of false precision, so the outputs should be interpreted with these significant limitations in mind.

Climate portfolio alignment and scenario analysis (continued)

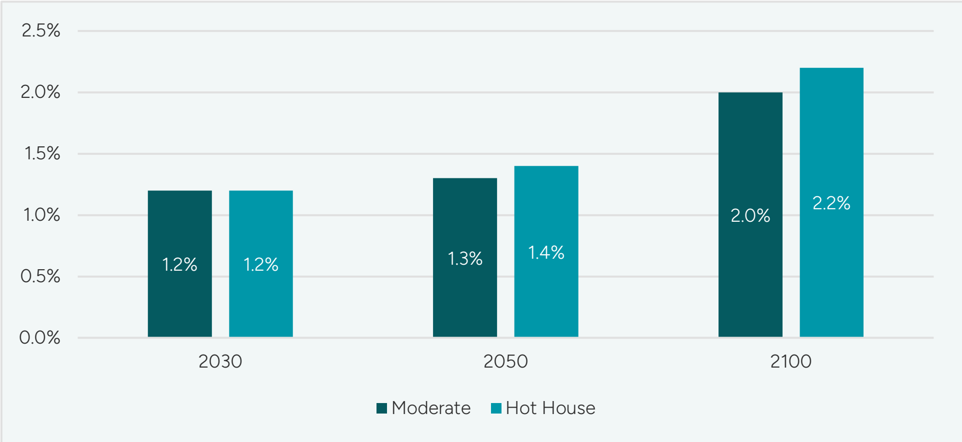
The analysis below presents the proportion of Real Estate and Infrastructure assets for MAGIM and MAGAIM respectively that were identified as high risk from future climate conditions, based on location. An asset is classified as 'high risk' when its aggregated annual climate expected loss is greater than or equal to 2.51%. Importantly, the modelling does not consider transition and second-order impacts which could affect asset values.

Real Estate physical risk exposure based on Moderate and Hot House scenarios
Proportion of modelled MAGIM assets (by count) at high risk from physical climate-related hazards



712 distinct Real Estate assets modelled (£26bn AUM, 77% coverage).

Infracapital physical risk exposure based on Moderate and Hot House scenarios
Proportion of modelled MAGAIM assets (by count) at high risk from physical climate-related hazards



1,048 Infracapital assets modelled (accounting for £3.1bn of capital managed by MAGAIM, 100% coverage).

Glossary

Aladdin Climate Aladdin Climate is a BlackRock software application which enables investors to estimate transition and physical risks of investment portfolios, as well as alignment with global temperature goals.

Carbon footprint Carbon footprint refers to financed emissions normalised by the market value of a portfolio (GHG emissions per million pounds of investment). This indicator is particularly useful for comparative purposes, but similar to FCE is sensitive to financial factors that do not relate to decarbonisation.

Disorderly scenario The disorderly scenario used for the public asset climate scenario modelling in this report broadly aligns with Representative Concentration Pathway 2.6 and predicts a temperature rise lower than 2°C by the end of century. However, climate action to achieve this is not taken until 2030, which delays transition impacts and makes them more drastic.

EU SFDR Article 8 Article 8 designated funds, in line with the European Sustainable Finance Disclosure Regulation, are those that promote, among other things, environmental or social characteristics, or a combination of these, provided that the companies in which the investments are made follow good governance practices.

EU SFDR Article 9 Article 9 designated funds, in line with EU SFDR, are those that specifically have sustainable investment as their objective.

Financed carbon emissions (FCE) Financed carbon emissions represent the absolute greenhouse gas emissions associated with a portfolio of investments, where there is available reported data or estimates. Financed emissions are influenced by changes in financial factors such as market movements and portfolio values, which are unconnected to real-world emissions.

Financed scope 1 emissions Financed scope 1 emissions include direct emissions from an issuer's owned or controlled sources, eg, emissions associated with fuel combustion in boilers, fleet vehicles.

Financed scope 2 emissions Financed scope 2 emissions include indirect emissions from purchased or acquired energy, eg, electricity, steam, heat, or cooling, that is generated off-site and consumed by an issuer.

Financed scope 3 emissions Financed scope 3 emissions are all other indirect emissions (not included in Scope 2) that occur in the value chain of an issuer, including both upstream and downstream emissions.

Global norms Our definition of global norms considers widely recognised principles such as the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the International Labour Organization's (ILO) Fundamental Conventions.

Glossary (continued)

Greenhouse gases (GHG) Greenhouse gases are gases that trap heat from the sun in our planet's atmosphere, keeping it warm. The main greenhouse gases released by human activities are carbon dioxide, methane, nitrous oxide, and fluorinated gases used for cooling and refrigeration.

Hot house scenario The hot house scenario used for the public asset climate scenario modelling in this report broadly aligns with Representative Concentration Pathway (RCP) 8.5 and predicts an average temperature change above 3°C by the end of the century, assuming no global response to climate change beyond what has already been committed to.

Intergovernmental Panel on Climate Change (IPCC) The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change. It provides policymakers with regular scientific assessments on climate change, its implications and potential future risks, as well as puts forward adaptation and mitigation options.

Network for Greening the Financial System (NGFS) The Network for Greening the Financial System (NGFS) is a group of central banks and supervisors committed to sharing best practices, contributing to the development of climate and environment-related risk management in the financial sector and mobilising mainstream finance to support the position toward a sustainable economy.

Orderly scenario The orderly scenario used for the public asset climate scenario modelling in this report broadly aligns with Representative Concentration Pathway 2.6 and predicts a temperature rise below 2°C by the end of the century, in line with the Paris Agreement.

Paris Agreement The Paris Agreement is an agreement within the United Nations Framework Convention on climate change, dealing with greenhouse gas emissions mitigation, adaptation, and finance. Its overarching goal is to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

Weighted average carbon intensity (WACI) Weighted average carbon intensity provides a single metric summing the individual emissions intensities (by million pounds of issuer sales) of companies in a portfolio based on their weightings, indicating a portfolio's exposure to carbon-intensive issuers.

M&G Investments

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