



M&G plc Modern Slavery Transparency Statement 2022

Our Business and Organisational Structure

M&G plc is an international savings and investments business, managing money for around 5 million retail customers and more than 800 institutional clients in 28 markets. As at 31st December 2022, we had £342 billion of assets under management and administration.

With a heritage dating back more than 170 years, M&G plc has a long history of innovation in savings and investments, combining asset management and insurance expertise to offer a wide range of solutions. We serve our retail and savings customers under the M&G Wealth and Prudential brands in the UK and Europe, and under the M&G Investments brand for asset management clients globally.

This statement has been prepared to comply with the UK Modern Slavery Act 2015 (“MSA”) for the 2022 financial year, which details what we have done and are doing to help end slavery, human trafficking, child labour or any other abuse of human rights.

Asset Management

We provide a range of asset management solutions to wholesale and institutional customers and clients globally. Our solutions range from mutual funds to pooled and bespoke segregated mandates for institutional clients. We invest responsibly and offer exposure to both public and private assets.

Retail and Savings

Our Wealth business provides a range of savings and retirement solutions to retail customers, such as smoothed solutions backed by our leading With-Profits fund, through a diversified distribution network.

Our Heritage business is closed to new customers, but its long-term nature means we expect existing customers to be with us for many years to come. Within Heritage, traditional with-profits customers benefit from the same smoothing and investment capabilities offered to Wealth business customers, while our annuitants receive a regular retirement income as we carefully manage risks to deliver this outcome.

Central Functions

Our Finance, Risk and Compliance, Group Operations (Technology), Internal Audit and People and Corporate Affairs functions support the two key customer-facing business areas described above.

Our Values and Policies

M&G plc’s core values of care and integrity are central to everything we do;

- Care – we act with care, treating our customers, clients and colleagues with the same respect we would expect ourselves and we invest with care, making choices for the long term.
- Integrity – we empower our people at M&G to do the right thing, honouring our commitments to others and acting with conviction.

Our business is built on trust and we do not take this lightly. We believe in supporting human rights, whilst acting responsibly and with integrity in everything we do. We are committed to working with our suppliers and stakeholders to help end slavery, human trafficking, child labour and any other abuse of human rights.

Guided by our values of care and integrity, a responsible mindset drives what we do across the whole of our business: as a corporate entity, asset owner, asset manager, and through our relationships with our stakeholders including our communities.

We have established a Group Governance Framework (GGF) which defines the Group’s approach to governance and internal controls which helps us meet the regulatory requirements. The GGF includes information and policies to ensure a consistent approach to the way colleagues work and make decisions across the entire business below Board level. These policies provide general principles by which we conduct our business and ourselves as a business and as an asset owner and asset manager.

Our **M&G plc Environmental, Social and Governance (ESG) Risk Management Framework** enables an effective three lines of defence for Sustainability and ESG Risk across the business. This ESG Risk Management Framework helps to inform, educate and communicate ESG risk which is pervasive across the business. It consists of five core components:

1. ESG risk culture;
2. identifying and assessing ESG risk;
3. managing and reporting effectively on ESG risk;
4. embedding risk governance; and
5. protecting our reputation.

Our **M&G plc ESG Risk Policy** codifies the five core components of the ESG Risk Management Framework into a number of requirements for the management of ESG Risk on an ongoing basis.

Our **M&G plc Supply Chain Modern Slavery Business Standard**, is reviewed and approved annually. This supports the management of modern slavery risk and how we approach third-party supplier relationships. The standard details how M&G define this risk and how we mitigate this within our corporate activities, outlining our internal processes to identify potential exposure, how we effectively monitor our suppliers, escalate any known/potential exposures and actions that need to be taken to assess viability in greater detail. Through annual attestation against the standard, we can actively assess our approach and ensure we meet the minimum standards as stipulated by the UK Home Office, whilst ensuring we are compliant in our license to operate in line with the Modern Slavery Act 2015 (MSA). We regularly review how non-financial risks are embedded within our third party supplier lifecycle to ensure continuous improvement and alignment to regulatory policy and best practice, including Modern Slavery related supply chain risks.

We do not tolerate any form of forced servitude or indentured, bonded, involuntary prison, military, or compulsory labour. We do not tolerate any form of human trafficking or modern slavery. We do not tolerate conduct that is not aligned with our [Statement of Human Rights](#) and associated company policies.

The **Whistleblowing programme** at M&G plc (known as “Speak Out”) enables suspicions of misconduct and wrongdoing to be reported in a confidential way. In accordance with M&G plc Whistleblowing Policy, there are various methods by which concerns can be raised. These include using a confidential reporting system, comprising of a telephone or web-based service, or by scanning a QR code from a mobile phone. These are hosted externally by a third-party supplier. All reports are taken very seriously and where required, a thorough investigation is conducted by trained investigators. If we observe, have suspicions of, or experience violations of human rights, modern slavery or the associated law of the countries in which we operate, we report them to our managers and leaders, human resources, to the Speak Out team or by using our confidential reporting system. This confidential reporting system is extended to raising concerns about our third party suppliers. With the definition of a whistleblower expanding under the European Whistleblowing Directive, a whistleblowing link and external statement has been added to all M&G and Pru websites enabling external parties to blow the whistle. The Whistleblowing “Speak Out” programme is overseen by a Whistleblowers’ Champion who is the Chair of M&G plc’s Audit Committee.

Our Supplier Risk Assessments and Due Diligence

The Modern Slavery Act defines modern slavery as “slavery, servitude and forced or compulsory labour” and “human trafficking” (“**Modern Slavery**”).

Our suppliers (including outsourcers) are a critical and necessary extension of our operations and future success. We hold our suppliers to the same ethical standards to which we hold ourselves and require our suppliers to remain in full compliance with all applicable laws, rules, and regulations.

We expect our suppliers to extend the principle of fair and honest dealings to all others with whom the supplier does business, including employees, sub-contractors and other third parties; where relevant, apply the standards within our Supplier Code of Conduct to the Supplier’s own supply chain; and adhere to the guidance within our Statement of Human Rights.

This includes the ongoing due diligence and oversight of our supply chain. M&G plc remains committed to the continued development of its approach to modern slavery-related risk identification, monitoring and reporting, and proactive mitigation of identified modern slavery risks and we are prepared and vigilant against any situation that may arise.

Our Commercial Procurement teams across our UK businesses have further embedded a co-ordinated response to the requirements of the MSA, with a focus on our external supply chain, as follows:

- Commercial Procurement highlights within all tender activity the Group's expectations around modern slavery. This is undertaken regardless of the supplier statutory position (therefore suppliers under the £36 million threshold are not exempted from our requirements).
- M&G plc has a Code of Conduct and Supplier Code of Conduct which is regularly maintained. These outline the standards that we expect our suppliers to adhere to, including human rights and modern slavery related issues.
- Both Commercial Procurement and Third Party Risk determine the nature of services provided by suppliers and identify associated risks, including any potential risk exposure to modern slavery. Where suppliers are not seen to have appropriate standards in place, we will work in close collaboration to improve standards. This ongoing monitoring especially focused on the onboarding of new material suppliers to M&G, builds on previous years' reviews of our supplier base whereby we undertook an exercise to review the common procurement category themes and measure our potential exposure to modern slavery risk.
- As part of our ongoing ESG initiatives we have carried out in-depth reviews on M&G's high risk suppliers with UK originated spend to understand the potential inherent risk to our business and, where needed, have taken the necessary steps to identify opportunities to improve standards. We will continue to work with suppliers to align their approach to M&G's on an ongoing basis.
- M&G plc contracts continue to be refreshed and updated for modern slavery provisions.

Training

- In June 2022, we produced a new training module for all M&G plc employees to complete; Conduct at M&G. This course covers five core subjects and provided colleagues with an overview of the behaviours we expect from individuals as representatives of M&G. Modern Slavery was one of these five topics. In addition, M&G remain committed to upskilling our staff on modern slavery and specific employees across core areas of our business have completed a refresher training course specific to Modern Slavery Awareness. Our Board and Senior Executives have also undertaken training to demonstrate our commitment to combatting modern slavery and human trafficking.

Modern Slavery and Our Investment Activities

With £342 billion assets under management and administration (AUMA) M&G's sustainability influence extends far beyond its direct operations or those of its supply chain. The companies and assets in which we choose to invest, whether as an asset owner or as an asset manager, can have a profound impact on society and we take our responsibilities as an investor seriously.

M&G plc became signatories of the UN Global Compact in March 2021, committing to ten principles of good practices in human rights, labour, the environment and anti-corruption. As a signatory we are required to ensure we are not complicit in human rights abuses and must report against all 10 principles on an annual basis.

As an Asset Manager and Asset Owner, under our M&G ESG Investment Principles, M&G is committed to working with our stakeholders, including our investee companies, to help end slavery, human trafficking, child labour or any other abuse of human rights. Therefore, we take into consideration politics where they impact human rights, the rule of law, fairness and equality, and where local and/or geo-political risk impacts the risk / return profile of the investment.

As an Asset Manager, we use norms-based screening data from several vendors, including specialist advisors, to identify companies that egregiously violate global norms in the areas of human rights, labour standards, environmental standards and anti-corruption. The issues of modern slavery form a key part of our proprietary ESG scorecard and we integrate material factors such as modern slavery in our ESG research and analysis.

As an Asset Manager, M&G's ESG Investment Policy puts a priority on engagement with companies that we invest in, enabling us to have constructive dialogue with those which may be exposed to the risks of modern slavery and human trafficking. We believe that engagement is a more effective way to encourage better corporate behaviour than 'naming and shaming', an approach that has discouraged companies from being transparent on these issues in recent years. Opacity creates risk for us as investors and perpetuates cycles of abuse relating to modern slavery which is why we encourage companies to discuss these issues openly and frequently.

Engagement with companies that we invest in helps to ensure they are considering and appropriately managing environmental, social and governance risks including modern slavery. In practice, this means we seek a constructive dialogue with company management, supporting and encouraging them to find and remedy suspected instances of modern slavery or human rights abuses.

In certain circumstances, the outcome of engagement activities will be the requirement to exclude an issuer or instrument from an investible universe, and/or to divest of existing holdings. The timeline and framework for exclusion and divestment will be set out in the specific exclusion policy or within the specific product commitment.

As an Asset Owner, Prudential Assurance Company expects all of its appointed asset managers to be managing ESG risks appropriately, including those relating to modern slavery and human rights, both in direct operations of investee companies and within their supply chains, and question managers on such engagement regularly. We identify holdings considered to be at highest risk of exposure to modern slavery, and M&G asset owner's appointed managers are asked to conduct targeted engagement on modern slavery with the holdings in question, where they hold these companies on the asset owner's behalf. This builds on and is complementary to the asset managers' own processes on modern slavery monitoring and engagement. All of the asset owner's appointed asset managers will be encouraged to refer to CCLA's Find It, Fix It, Prevent It's "Engagement Expectations", as guidance on how to conduct engagement on modern slavery issues.

The Stewardship team in M&G's asset management business is working with external parties, such as the '*Find it, Fix it, Prevent it*'¹ initiative. We want to ensure that we understand the latest developments in this area and that we are contributing to the broader discussion about how financial services should play its part in tackling modern slavery and human trafficking. The '*Find it, Fix it, Prevent it*' initiative allows for investors and policy makers to exchange information and ideas in order to encourage greater disclosure and, ultimately, greater efforts by corporates to combat modern slavery.

¹ *Find It, Fix It, Prevent It* is an investor-led, multi-stakeholder project designed to harness the power of the investment community to increase the effectiveness of corporate actions against modern slavery. It was created by an investment company [CCLA](#) and is overseen by an Advisory Committee. It is a collaborative initiative made up of investors, charities and academics to tackle the issue of modern slavery. M&G Investments is a supporter of the initiative.

Our Effectiveness Rating

We are pleased to report for 2022:

- No modern slavery concerns were identified as part of current monitoring procedures of our supply chain, including through our health and safety compliance, inspection and auditing processes.
- During 2022, we had no reports to 'Speak Out', our online and telephone confidential reporting service, involving concerns about modern slavery issues.
- We have not identified any problem suppliers during 2022 which required a contract exit process to be enacted due to any modern slavery concerns.
- We have not raised any issues specifically relating to modern slavery during 2022 through our policy attestation.

Approval Date

This 2022 statement was approved by the M&G plc Board on 22nd February 2023 and by each of its Subsidiary Boards identified within scope as listed in the Appendix between March and April 2023.

Signed,

A handwritten signature in black ink, appearing to read 'Andrea Rossi', with a stylized flourish at the end.

Andrea Rossi
Chief Executive Officer and Director
22nd February 2023

Appendix

List of Subsidiary Boards within scope of section 54(2) of the Modern Slavery Act 2015

M&G Group Limited

M&G FA Limited

M&G Investments Limited (MAGIM)

M&G Alternatives Investments Limited (MAGAIM)

M&G Securities Limited

M&G Real Estate Limited

The Prudential Assurance Company Limited

Prudential Financial Planning Limited

Prudential Distribution Limited

Prudential Pension Limited

Prutec Limited

PGDS (UK One) Limited

Prudential Capital plc

Investment Funds Direct Limited (IFDL)