

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product Name:** M&G (Lux) Investment Funds 1 - M&G (Lux) Global Listed Infrastructure Fund  
**Legal Entity Identifier:** 222100K85SU14IF7PW30

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

● ●  Yes ● ●  No

It made **sustainable investments with an environmental objective:**

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective:** \_\_\_%

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 58.48% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the use of an Exclusionary Approach by excluding certain potential investments from its investment universe to mitigate potential negative effects on the environment and society ("Exclusionary Approach").

The Fund promoted the use of a Positive ESG Tilt by maintaining a weighted average ESG rating that was higher than that of the average ESG Score of the equity market as represented by its investment universe and was also equivalent to at least an MSCI A rating. In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. At an individual security level, the Investment Manager favours investments with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. It also made investments that are SDG-contributing (as defined below).

The Fund considers the UN Sustainable Development Goals (SDGs) as part of its investment process and the sustainability themes considered by the Investment Manager are based on the SDGs as a relevant framework to measure contribution to sustainability factors ("SDG-contribution").

All investments made by the Fund to attain the environmental or social characteristics were assessed for good governance and have passed the Investment Manager's test for good governance. The Investment Manager operates a data-driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).

No reference benchmark was designated for the purpose of attaining the Fund's promoted environmental and/or social characteristics.

No derivatives were used to attain the environmental or social characteristics.

While the Fund did not have as its objective a sustainable investment, it had a proportion of 58.05% in sustainable investments, 28.82% of them with an environmental objective and 29.23% with a social objective. For further details of the sustainable investments, please see the relevant sections below.

#### Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

#### ● How did the sustainability indicators perform?

The Fund's sustainability indicators to test its compliance with its Exclusionary Approach and Positive ESG Tilt were met at all times during the reporting period. The Fund committed to maintain a weighted average ESG rating that is either:

1. Higher than that of the equity market as represented by its investment universe; or
2. Equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt").

Both of these tests were met.

The Fund applied its Exclusionary approach throughout the period and the Fund's average ESG Score was 7.87 (an annual average of four quarterly measurements for the period ending 31 March 2025), which was higher than that of the average ESG Score of the equity market as represented by its investment universe, which was 6.76. The Fund's average ESG Score was also equivalent to at least an MSCI A rating (or numerical score of at least 5.714). Please see the below table for an overview of the Fund's performance relative to its sustainability indicators over the previous reference periods. Note that the Fund's promotion of a Positive ESG Tilt was introduced in the reference period 2023-2024 and therefore no data is available for the previous reference periods.

The 'Eligibility' figure is a measure of the percentage of Fund assets which are eligible to be measured by the sustainability indicator. The 'Coverage' figure indicates the percentage of eligible assets for which data is available.

The indicators shown were not subject to assurance/review provided by an external party

Sustainability indicator name	Value	Eligibility	Coverage
<b>As at - 31 March 2025</b>			
Percentage (%) of investments by value that is SDG-contributing	72.90 %	99.50%	100.00%
Portfolio weighted average ESG score for the investment universe	6.76 ESG Score	100.00%	99.25%
Portfolio weighted average ESG score for the fund	7.87 ESG Score	91.64%	97.81%
Percentage (%) of NAV held in excluded investments	-	100.00%	0.00%

Sustainability indicator name	Value	Eligibility	Coverage
<b>As at - 31 March 2024</b>			
Percentage (%) of investments by value that is SDG-contributing	79.28 %	100.00%	99.79%

Sustainability indicator name	Value	Eligibility	Coverage
<b>As at - 31 March 2023</b>			
Percentage (%) of investments by value that is SDG-contributing	81.11 %	100.00%	99.72%

#### ● ...and compared to previous periods?

The proportion of the Fund's sustainable investments in this reporting period at 58.05% was higher than the previous reporting periods, when it was 57.63% (2024) and 51.43% (2023). As it did in the previous reporting periods, the Fund complied with its Exclusionary Approach at all times during the period. The percentage of investments by value that was SDG-contributing in this reference period was slightly lower than the percentage of investments by value that was SDG-contributing in the previous reference periods (72.90% versus 79.28% in 2024 and 81.11% in 2023. SDG contribution frameworks are being enhanced in 2025 based on the full integration of a new SDG revenue provider (Net Purpose).

Prior to this reporting period, the Fund did not promote a Positive ESG Tilt and therefore there is no comparison shown for previous reference periods. The Positive ESG Tilt was introduced on 1 October 2024 so the data shown for this reference period will be an average of two quarters (from 1 October 2024 until 31 March 2025).

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund's commitment to sustainable investments is outlined in the Fund Prospectus. This states that the Fund will have a minimum proportion of 40% of sustainable investments, comprising those with an environmental objective and/or a social objective. Those with an environmental objective do not need to qualify as environmentally sustainable under the EU Taxonomy. During the reporting period, the Fund held 58.05% investments that the Investment Manager deemed sustainable. These investments met at least one of the thresholds, defined by the Investment Manager, for positive contribution to a sustainable objective.

The Fund held 28.82% of sustainable investments contributing to one or more environmental objective. 5.94% of the Fund's sustainable investments with an environmental objective were positively assessed for Taxonomy alignment. 28.82% of the Fund's sustainable investments related to investments with other environmental characteristics, and 29.23% were in socially sustainable investments.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable investments that the Fund made did not cause significant harm to any environmental or social sustainable investment objective as set out in the following section.

- **How were the indicators for adverse impacts on sustainability factors taken into account?**

The Fund took the mandatory principal adverse impact (PAI) indicators, as set out in table 1 of Annex 1 of the SFDR Regulatory Technical Standards, and any relevant opt-in indicators from tables 2 and 3, into account to ensure that the Fund's sustainable investments do not do significant harm to any sustainability factor. PAIs 1-6 relating to carbon emissions were taken into account by way of applying the exclusions set out in the Manager's Thermal Coal Policy as well as the Manager's DNSH test which also includes a revenue-based exclusion relating to fossil fuel activities. PAI 14 on controversial weapons was taken into account by applying the Manager's Controversial Weapons Policy. PAI 7 on biodiversity was taken into account by applying a controversy-based exclusion which forms part of the Manager's DNSH test. The Fund also excluded any company which did not pass the Managers' Global Norms Process. The Fund may have applied additional exclusions, as outlined in the Fund's Prospectus, some of which may be relevant to addressing PAIs.

PAIs that were not addressed by way of exclusions were assessed and taken into account as part of the Manager's investment research process.

Where investments are reported as Taxonomy aligned, the economic activities invested in also met the do no significant harm criteria as set out in Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (EU Taxonomy Regulation).

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

All sustainable investments are subject to the manager's Global Norms Process which assesses adherence to the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights.



- **How did this financial product consider principal adverse impacts on sustainability factors?**

The Investment Manager received principal adverse impact research data to identify the Fund's principal adverse impacts prior to investing. Consideration of certain principal adverse impacts was reinforced by applying the exclusions as set out in M&G house Policies; fund-specific exclusions as set out in the Fund Prospectus; or were screened out as a result of the Investment Manager's Global Norms Process. Where no exclusions were applied, principal adverse impacts were assessed as part of the investment research process and monitored by the Investment Manager on an ongoing basis.



## What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2024 to 31/03/2025

Largest investments	Sector	% Assets	Country
CROWN CASTLE INC	Real estate activities	3.85%	US
AES CORP	Electricity, gas, steam and air conditioning supply	3.79%	US
ALEXANDRIA REAL ESTATE EQUITIES RE	Real estate activities	3.59%	US
FRANCO NEVADA CORP	Financial and insurance activities	3.55%	CA
EQUINIX REIT INC	Information and communication	3.43%	US
AMERICAN TOWER REIT CORP	Real estate activities	3.37%	US
TC ENERGY CORP	Transportation and storage	3.14%	CA
EVERSOURCE ENERGY	Electricity, gas, steam and air conditioning supply	3.00%	US
NATIONAL GRID PLC	Electricity, gas, steam and air conditioning supply	3.00%	GB
PRAIRIESKY ROYALTY LTD	Mining and quarrying	2.97%	CA
EXELON CORP	Electricity, gas, steam and air conditioning supply	2.91%	US
INFRASTRUTTURE WIRELESS ITALIANE	Information and communication	2.89%	IT
GIBSON ENERGY INC	Wholesale and retail trade; repair of motor vehicles and motorcycles	2.88%	CA
EDISON INTERNATIONAL	Electricity, gas, steam and air conditioning supply	2.79%	US
NEXTERA ENERGY INC	Electricity, gas, steam and air conditioning supply	2.53%	US

These investments represent an annual average of four quarters measured over the reporting period.

Please note that the Investment Manager identifies separate company issues when compiling this table of Top Investments rather than grouping issuers at a company (issuer) level.



## What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 70% of the Fund to be aligned to the promoted E/S characteristics and a minimum of 40% in Sustainable Investments.

Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The figures are calculated as an annual average of four quarterly measurements for the period ending 31 March 2025.

The % of investments that were aligned to the environmental or social characteristic promoted was 99.82% of NAV. This comprised 58.05% of NAV in sustainable investments, and the remaining 40.77% of NAV in investments with other environmental and/or social characteristics.

Sustainable investments allocated to 'Taxonomy-aligned' economic activities are reported under 'Taxonomy-aligned'. The remainder of the sustainable investments is allocated to 'sustainable - other environmental' and/or 'sustainable - social', based on the following two criteria:

I. Whether they pass the sustainable investment test on the basis of environmental and/or social contribution (as outlined under question "To what extent was the sustainable investment objective met?" in this report); and

II. The attribution to environmental and/or social as set out by the Fund's pre-contractual commitment to invest in sustainable investments with environmental and/or social objectives.

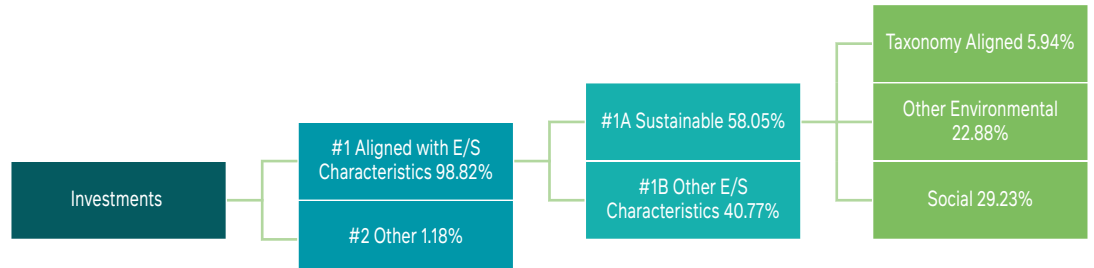
Whilst the Fund did not commit to invest in investments aligned to the EU Taxonomy, 5.94% were aligned to the EU Taxonomy. 22.88% related to investments with other environmental characteristics, and 29.23% related to socially

sustainable investments. 1.18% of the Fund was held in “other” investments that were not aligned to the promoted environmental or social characteristics.

**Asset allocation** describes the share of investments in specific assets.

● **What was the asset allocation?**

The graphic below provides an overview of the asset allocation.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Historical comparisons of the asset allocation	FY 2022	FY 2023	FY 2024
#1 Aligned with E/S characteristics	-%	98.91%	99.02%
#2 Other	-%	1.09%	0.98%
#1A Sustainable	-%	51.43%	57.63%
#1B Other E/S Characteristics	-%	47.47%	41.4%
Taxonomy-Aligned	-%	5.84%	4.71%
Other Environmental	-%	19.48%	24.82%
Social	-%	26.11%	28.1%

The above Historic Asset Allocation table reflects the available data for the Fund. The methodology has changed from the previous reference period and as such the data is not an exact comparison. Prior to 2025 the data used was as at the year end, whereas now it is an average of four quarter ends.

● **In which economic sectors were the investments made?**

The investment breakdown uses NACE (Nomenclature of Economic Activities), as developed by the European Union, and is expressed as a % of Net Asset Value (NAV).

The table shows a breakdown of the sectors and sub-sectors to which the Fund is exposed.

The investment breakdown shown represents an annual average of four quarterly measurements taken over the reporting period.

Economic Sector	% Assets
<b>Electricity, gas, steam and air conditioning supply</b>	<b>30.87%</b>
<b>Transportation and storage</b>	<b>15.50%</b>
Land transport and transport via pipelines	11.92%
Warehousing and support activities for transportation	3.58%
<b>Financial and insurance activities</b>	<b>14.83%</b>
Financial service activities, except insurance and pension funding	8.24%
Activities auxiliary to financial services and insurance activities	6.59%

<b>Real estate activities</b>	<b>14.51%</b>
<b>Information and communication</b>	<b>6.32%</b>
Information service activities	3.43%
Telecommunications	2.89%
<b>Wholesale and retail trade; repair of motor vehicles and motorcycles</b>	<b>5.40%</b>
Wholesale trade, except of motor vehicles and motorcycles	5.40%
<b>Mining and quarrying</b>	<b>4.95%</b>
Extraction of crude petroleum and natural gas	4.95%
<b>Construction</b>	<b>3.47%</b>
Civil engineering	3.47%
<b>Water supply; sewerage, waste management and remediation activities</b>	<b>2.98%</b>
Waste collection, treatment and disposal activities; materials recovery	0.99%
Water collection, treatment and supply	1.99%
<b>Other*</b>	<b>1.18%</b>

\*These investments are investments for which no NACE code is available.

Sectors of the economy that derive revenues from economic activities related to fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council are incorporated in the above table.



### To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Whilst the minimum mandatory allocation to Taxonomy-aligned sustainable investments is 0%, the Fund is permitted to allocate to such investments, which would form part of its overall allocation to sustainable investments with environmental objectives.

The share of the Fund's investments that were aligned with the environmental objectives under the Taxonomy Regulation during the reference period was 5.94%. This percentage is determined by taking the quarter end figure for each quarter in the reference period and averaging it. Please note that the allocation to EU Taxonomy aligned investments made during this reporting period are incidental and may be lower or 0% in future periods.

No assurance from an auditor, third party or review was undertaken on the EU Taxonomy data.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

### ● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

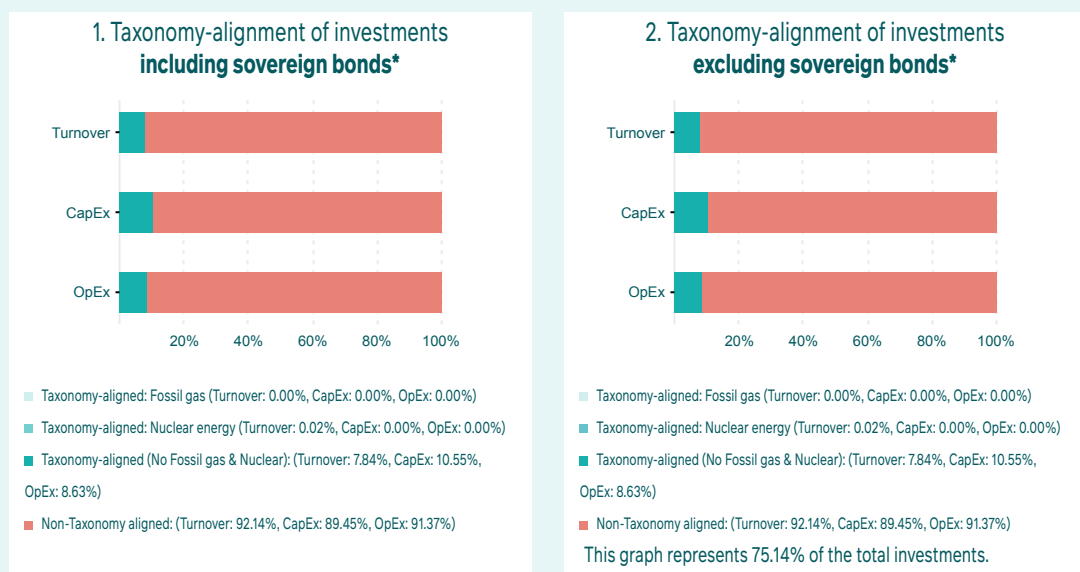
- Yes:  In fossil gas  In nuclear energy
- No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

Taxonomy Environmental Objective	Percentage of Contribution
Protection and Restoration or Biodiversity and Ecosystems	0.00%
Pollution Prevention and Control	0.00%
Transition to a Circular Economy	0.00%
Use and Protection of Water and Marine Resources	0.00%
Climate Change Adaption	0.36%
Climate Change Mitigation	7.86%

The above graph and table describes the Taxonomy alignment of all investments the Fund has made.

● **What was the share of investments made in transitional and enabling activities?**

The share of the Fund's investments made in transitional activities over the period was 0.03% and in enabling activities 5.31%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0.03%
Share of Enabling Activities	5.31%

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The percentage of investments that were aligned with the EU Taxonomy in this reporting period was 5.94% and was slightly higher than in the previous reporting periods when it was 4.71% (2024) and 5.84% (2023).

Reference period	Including sovereign bonds			Excluding sovereign bonds		
	Turnover	CapEx	OpEx	Turnover	CapEx	OpEx
As at - 31 March 2025	7.86%	10.55%	8.63%	7.86%	10.55%	8.63%
As at - 31 March 2024	9.00%	11.00%	8.00%	9.00%	11.00%	8.00%

 are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



### What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 23.88%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned and not aligned to the EU Taxonomy), as stated in the Fund's precontractual disclosure.

Corporate disclosure of EU Taxonomy alignment is still in a nascent phase and reported Taxonomy alignment data remains low for the time being. We keep our approach under review as we expect the numbers to increase as corporates gain further experience with the reporting of EU Taxonomy alignment, and as more corporates align their economic activities to the criteria of the EU Taxonomy.



### What was the share of socially sustainable investments?

The share of socially sustainable investments was 29.23%. This compares to a minimum percentage commitment of 5% stated in the Fund's precontractual disclosure.



### What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

During the reference period the Fund held cash, currency derivatives, money market funds and infrastructure funds as "Other" investments, for any purpose permitted by the Fund's investment policy. No minimum environmental or social safeguards were applied, other than as set out below. Derivatives used to take investment exposure to diversified financial indices, and funds (i.e., UCITS and other UCIs) may be held for any reason permitted by the Fund's investment policy and will be subject to such minimum environmental or social safeguard tests as the Investment Manager considers appropriate, for example a minimum weighted ESG score test. No minimum environmental or social safeguards are applied to FX derivatives. The Fund may also hold as Other investments those investments where insufficient data exists to determine the investments' alignment with the promoted characteristics.



### What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund applied an exclusion policy to achieve its Exclusionary Approach.

The Fund committed to maintain a weighted average ESG rating that is either 1. higher than that of the equity market as represented by its investment universe; or 2. equivalent to at least an MSCI A rating, whichever is lower ("Positive ESG Tilt"). Both of these tests were met. Its compliance with the same is reported in the sustainability indicators section shown above.



### How did this financial product perform compared to the reference benchmark?

N/A. No reference benchmark was designated for the purpose of attaining the Fund's sustainable investment objective.

- **How does the reference benchmark differ from a broad market index?**

N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

N/A

- **How did this financial product perform compared with the reference benchmark?**

N/A

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



- **How did this financial product perform compared with the broad market index?**  
N/A