



September 2020

# We stand for Human Rights



# Statement of Human Rights

**We care about our communities and demonstrate integrity by doing the right thing.**

## **We stand for Human Rights**

At M&G plc, our foundation is built on two core values: care and integrity. These values extend beyond our company into the communities and societies within which we operate. A significant consideration to how we do business and make the world a little better along the way is a commitment to support and respect human rights.

While we recognise that governments have the responsibility to protect the rights of their citizens, as a global organisation we are aware that we have a significant part to play in upholding internationally recognised human rights and complying with laws within the countries and regions we work. We are committed to ensuring that our organisational culture reflects the support and respect of human rights as well as care and integrity in avoiding complicity in human rights violations.



We ensure that our position on human rights is embedded within our purpose, vision, values and behaviours, company policies, key community pillars, Environmental, Social and Governance (ESG) strategy, training, and our business activities and ways of working day-to-day.

## **Our responsibility**

Everyone working for, and in partnership with, M&G including employees and contractors, suppliers, consultants, our leaders, managers, and colleagues, have a responsibility to act in accordance with our Statement of Human Rights. We are all responsible for reading, being familiar with, and understanding our Statement of Human Rights.

## **Our accountability**

We do not tolerate conduct that is not aligned with our Statement of Human rights and associated company policies.

If we observe or experience a violation of human rights or the laws of the countries within which we operate, we report it to our managers and leaders, human resources, or by using our confidential reporting service: 'Speak Out'.

## **Our guiding principles**

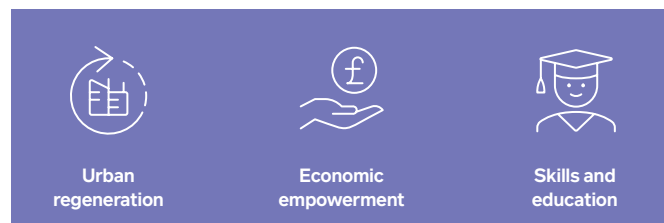
We strive to uphold the UN Guiding Principles on Business and Human Rights. This Statement has also been developed in accordance with the International Labour Organisation's Guiding Principles, the International Bill of Human Rights, and Principles for Responsible Investment.

Our Chief Human Resources Officer owns and oversees the Statement as well as its implementation across the company. Key stakeholders have been consulted in the development of M&G's Statement of Human Rights and company policies have been mapped and reviewed to ensure alignment with our approach to Human Rights. Our Code of Conduct, 'We are M&G', outlines the expectations we have for our culture, our colleagues, and the ways in which we do business, which includes support of, and respect for, Human Rights.



## Our primary priorities

We focus on essential needs for communities to thrive, helping strengthen social networks and equipping people with the skills, tools, and opportunities to be financially secure. As a financial services organisation, we believe that access to finance is a basic human right, and we've built our corporate community engagement strategy on three main pillars.



Our main human rights priorities also include rights for employees, gender equality, ESG initiatives, the right to finance for vulnerable members of the community, anti-corruption, and the risk of human rights violations within our supplier network.

## Laws and regulations

As a global company, we operate within many countries and communities. We comply with local laws and regulations in every area within which we operate and strive to uphold the principles and expectations outlined in our Statement of Human Rights, living our values of care and integrity, supporting and respecting Human Rights.

# Human Rights for workers

## Psychological safety

We believe that people can only perform their best and deliver high-quality outcomes when they feel respected, safe and supported. We support each other in bringing our whole selves to work without fear of negative consequences and with trust that the team is a safe space to take risks and make mistakes.

We do not tolerate disrespect, discrimination, harassment or bullying of any kind. We do not tolerate threatening, hostile or abusive behaviour. This includes behaviour towards others that is intimidating, threatening, degrading, or hostile.

## Diversity and Inclusion

We welcome and foster equal opportunity and diversity within our workforce. We treat our colleagues with respect and care, elevating and enabling each other to be our best. As a result, we are able to reinforce a safe environment.

We base our work-related decisions on the merit of each individual – not on race, colour, national origin, religion, gender, age, sexual orientation, gender identity, marital or pregnancy status, disability, or any other characteristic protected by applicable laws. Diversity and inclusion is also one of our core ESG priorities.

## Fair compensation and gender equality

We set our pay and benefits at competitive and sustainable levels and ensure we are compliant with legal and industry standards without unauthorised deductions.

We not only believe in equal pay for colleagues doing work of equal value but are committed to narrowing the gender pay gap. We are committed to enhancing the ways in which we recruit, retain, and progress colleagues, with a goal of achieving better representation of our diverse workforce and women in all roles at all levels of our organisation, especially in leadership positions.

## Accessibility for persons with disabilities

We are committed to providing an accessible work environment and supportive culture for people of all abilities and carers, to ensure they can fully leverage their unique and valuable talents to achieve their personal and professional goals.

## Child labour

We do not tolerate underage or child labour.

## Modern slavery and human trafficking

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. More details can be found in our Modern Slavery Transparency Statement.

## Health, safety, and well-being

We believe that everyone has a role to play in providing a safe and healthy working environment and enhancing the health and well-being of our people. Our corporate well-being approach is holistic, and we are committed to both the physical and mental well-being of our colleagues.

We actively identify, eliminate, or control risks to the health, safety, and welfare of our colleagues, business partners, clients, suppliers, and others who may be affected by our operations.

## Freedom of association

We recognise our colleagues' right to freedom of association, to talk to relevant trade unions.

## Working hours

We recognise that healthy work-life balance is important, not only to meet the needs of individuals, but to productivity, performance, and achieving our goals as a team. We empower each other to request what we need to work flexibly.

In order to maintain well-being, we don't want any colleagues to work excessive hours for a long period of time. Certain roles, however, may be required to work

additional hours (mandatory overtime), particularly when 'on call'. If we feel we are consistently working in excess of our contractual hours, we have open conversations with our managers and leaders.

### Inspiring families

However our colleagues are planning to start their families, we support them in being the parents they want to be. We support parental leave for mothers and fathers, including leave for parents who have chosen to adopt. We also care for our families by providing other types of leave, outlined in our Inspiring Families policy.

### Employment relationship

We have a multi-functional and varied workforce, including temporary and contract employees. We want

to be a place where we all enjoy coming to work and where we can reach our full potential. To do this we make a number of promises about the environment we are creating and how we support each other every day: challenge limits, support aspirations, balance life, and value input.



## Strategy

Our climate change strategy is a key component of our wider ESG strategy. We recognise the role we have to play in minimising the impact of climate change, as an investor and corporate entity, and will work to develop our own capabilities and engage collaboratively with our peers and investee companies.

## Sustainability

We manage our impacts and promote sustainable practices as part of our ESG agenda, as well as incorporating environmental considerations into decision making at appropriate levels across the business.

As a major employer with almost 6,000 employees in 22 locations around the world, we have our own part to play in managing climate risk. We are committed to reducing our own carbon emissions to net zero by 2030. We will achieve this through a new approach to travel, energy efficient investment in our buildings and the adoption of new technology.

## Climate change

We are strongly committed to the transition to an environmentally sustainable and low carbon economy. The impact of climate change is already apparent, through climate and weather extremes and environmental events that are increasing in frequency and intensity.

On climate, our goal is to reduce the carbon emissions on our total book of assets under management and administration to net zero by 2050, in line with the Paris Agreement and the UK Government's target.



# Human Rights in business

## Anti-corruption

We do not engage in, or tolerate, any form of bribery or corruption through the use of facilitation payments, gifts or hospitality as a means of influencing actions or opinions, or any other unethical or unlawful practice.

We are headquartered in the United Kingdom and therefore we are subject to the obligations under the UK's Bribery Act 2010, which applies also to all of our subsidiaries, in whichever country they are located. Similarly, due to our operations in the US, we are subject to the US's Foreign Corrupt Practices Act 1977, which also has extraterritorial reach across all of our operations.

## Suppliers

Our suppliers 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.

## Vulnerable clients

We serve a wide range of clients that includes individual savers and investors, institutional clients, professional investors, and financial advisors and paraplanners. Our purpose is to help all our clients live the life they want to, by managing and growing their savings on their behalf.

Acting with care and integrity means treating everyone with respect and decency and always doing the right thing, even in difficult situations. Part of this is taking the time to understand the needs of our clients and this is especially true for those that are vulnerable. Details on how we take care of our vulnerable clients can be found in our Vulnerable Customer Manifesto.

## Privacy

We ensure that personal data is accurate and is processed in a manner that ensures appropriate security of the personal data. We protect against unauthorised or unlawful processing and against accidental loss, destruction, and damage, using appropriate technical or organisational measures.

All personal and company data is kept private with strict security and is processed in adherence to all applicable laws and regulations in countries within which M&G operates.

## Product misuse

We do not tolerate our products and services being used to further financial crime, specifically for money laundering, funding of terrorist activities/organisations, and to facilitate fraud tax evasion, irrespective of the tax authority. M&G believes that such criminal activity directly contributes to human rights violations.

We comply with the United Nations Security Council Resolutions, US Office of Foreign Assets Control (OFAC), UK Her Majesty's Treasury (HMT) Office of Financial Sanction Implementation, European Union or any other collectively recognised regional authority on financial sanctions, including those arising from alleged breaches of human rights.

## Cumulative impacts

We take our investment strategy and partnerships seriously. We also recognise that as an asset owner and asset manager our collective operations may have indirect affects on our communities. We strive to implement and reinforce business practices and expectations of our suppliers and partners that respect human rights and have a responsibility that the underlying investments we choose also align with our commitment to support and respect human rights.

## Public reporting

We take personal responsibility for working together to do the right thing for our clients, our stakeholders, and our business. In being accountable, we measure and regularly report on required business and risk-related Management Information. We also publish several external reports over the course of the year including our Annual Report.

# Guiding resources and references

## UN Guiding Principles on Business and Human Rights

The **UN Guiding Principles** outlines the UN's Human Rights Framework 'Protect, Respect, and Remedy' and business responsibility in adhering to the principles.

## UN Global Compact: A Guide for Business

This document provides **guidance for businesses** on how to develop a Human Rights Policy and/or Statement.

## UN Global Compact: Human Rights and Business Dilemmas Forum

The **Human Rights and Business Dilemmas Forum** is designed by to support efforts made by businesses to respect human rights in their operations and supply chains.

## UN Environment Programme Finance Initiative

This **initiative** works with banks, insurers, and investors to create a sustainable financial sector. There are published Principles for Responsible and a **Human Rights Toolkit**.

## International Labour Organisation's Guiding Principles

The International Labour Organisation declares **Fundamental Principles and Rights at Work** in support of Human Rights. These principles were adopted in 1998 by the International Labour Conference.

## International Bill of Human Rights

The **International Bill of Human Rights** was adopted in 1948 and consists of the Universal Declaration of Human Rights; International Covenant on Economic, Social and Cultural Rights; and International Covenant on Civil and Political Rights.

## The Thun Group

The Thun Group is an informal group of banks who work together to understand how human rights can be best respected and promoted within the banking industry and across different banking activities. They published two discussion papers on the applicability of the UN Guiding Principles to banks and Financial Services: **implications of principles 16-21** and **implications of UN Guiding Principles 13b and 17**.

## Principles for Responsible Investment

The **Principles for Responsible Investment** is the global proponent of responsible investment and works to understand investment implications of environment, social and governance factors.



