

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 Dividend Fund
Legal Entity Identifier: 549300TRK90WUZI3612

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 81.68% 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 equivalent to at least an MSCI A rating (or numerical score of at least 5.71). 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.

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 81.68% in sustainable investments, 45.16% of them with an environmental objective and 36.52% 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").

The Fund applied its Exclusionary approach throughout the period and the Fund's weighted average ESG Score was 7.54 as at 31 March 2026). It was therefore equivalent to at least an MSCI A rating (or numerical score of at least 5.71) and was also higher than the ESG Score of the investment universe.

Please see the below table for an overview of the Fund's performance relative to its sustainability indicators over 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
As at - 31 March 2026			
Portfolio weighted average ESG score for the fund	7.54 ESG Score	96.40%	99.99%
Portfolio weighted average ESG score for the investment universe	6.79 ESG Score	99.99%	99.65%
Percentage (%) of NAV held in excluded investments	-	100.00%	0.00%

Sustainability indicator name	Value	Eligibility	Coverage
As at - 31 March 2025			
Portfolio weighted average ESG score for the fund	7.37 ESG Score	97.01%	100.00%
Portfolio weighted average ESG score for the investment universe	6.76 ESG Score	100.00%	99.25%
Percentage (%) of NAV held in excluded investments	-	100.00%	0.00%

Sustainability indicator name	Value	Eligibility	Coverage
As at - 31 March 2024			
Portfolio weighted average ESG score for the fund	7.55 ESG Score	98.22%	100.00%
Portfolio weighted average ESG score for the Investment Universe	6.78 ESG Score	99.98%	98.89%

Sustainability indicator name	Value	Eligibility	Coverage
As at - 31 March 2023			
Portfolio weighted average ESG score for the fund	7.55 ESG Score	96.47%	99.85%
Portfolio weighted average ESG score for the Investment Universe	6.79 ESG Score	98.36%	49.67%

- **...and compared to previous periods?**

The proportion of the Fund's sustainable investments as at 31 March 2026 was 81.68% which was higher than it was in most of the previous reporting periods when it was 68.28% (2025), 68.76% (2024) and 82.74% (2023).

As it did in the previous reporting periods, the Fund complied with its Exclusionary Approach at all times during the period.

The portfolio weighted average ESG score for the Fund was higher than in the previous reporting period and slightly lower than in previous periods, as can be seen in the table above.

As it did in the previous reporting periods, the Fund maintained a Positive ESG Tilt by achieving a rating equivalent to at least an MSCI A rating (equivalent to a numerical score of at least 5.71) and higher than its investment universe.

- **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 proportion of the Fund's sustainable investments as at 31 March 2026 was 81.68% which was higher than it was in most of the previous reporting periods when it was 68.28% (2025), 68.76% (2024) and 82.74% (2023).

As it did in the previous reporting periods, the Fund complied with its Exclusionary Approach at all times during the period.

The portfolio weighted average ESG score for the Fund was higher than in the previous reporting period and slightly lower than in previous periods, as can be seen in the table above.

As it did in the previous reporting periods, the Fund maintained a Positive ESG Tilt by achieving a rating equivalent to at least an MSCI A rating (equivalent to a numerical score of at least 5.71) and higher than its investment universe.

- **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.

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 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.

- **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.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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: 01/04/2025 to 31/03/2026

Largest investments	ISIN	Sector	% Assets	Country
MICROSOFT CORP	US5949181045	Information and communication	6.08%	US
METHANEX CORP	CA59151K1084	Manufacturing	5.88%	CA
KEYERA CORP	CA4932711001	Wholesale and retail trade; repair of motor vehicles and motorcycles	5.37%	CA
AMCOR PLC	JE00BJ1F3079	Manufacturing	4.61%	GB
GIBSON ENERGY INC	CA3748252069	Wholesale and retail trade; repair of motor vehicles and motorcycles	4.50%	CA
META PLATFORMS INC CLASS A	US30303M1027	Information and communication	4.23%	US
TAIWAN SEMICONDUCTOR MANUFACTURING	TW0002330008	Manufacturing	4.10%	TW
ABERDEEN GROUP PLC	GB00BF8Q6K64	Financial and insurance activities	3.90%	GB
TAKEDA PHARMACEUTICAL LTD	JP3463000004	Manufacturing	3.86%	JP
CARLSBERG CLASS B	DK0010181759	Manufacturing	3.73%	DK
BRISTOL MYERS SQUIBB	US1101221083	Manufacturing	3.68%	US
KONE CORP CLASS B	FI0009013403	Manufacturing	3.64%	FI
VF CORP	US9182041080	Manufacturing	3.52%	US
NN GROUP NV	NL0010773842	Financial and insurance activities	2.76%	NL
MEDTRONIC PLC	IE00BTN1Y115	Manufacturing	2.72%	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 20% in Sustainable Investments.

Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The figures are calculated as at 31 March 2026.

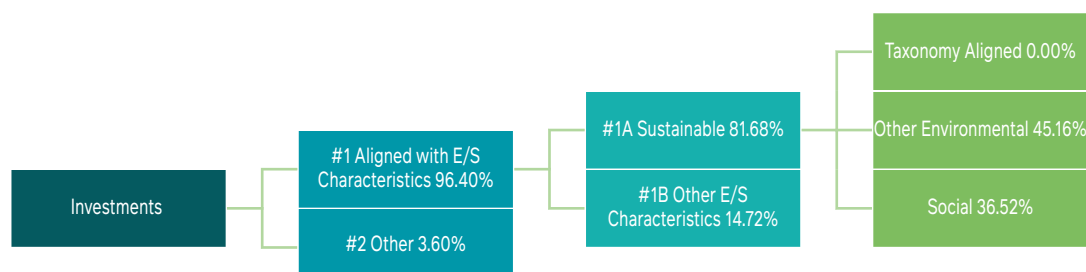
The % of investments that were aligned to the environmental or social characteristic promoted was 96.40% of NAV. This comprised 81.68% of NAV in sustainable investments, and the remaining 14.72% of NAV in investments with other environmental and/or social characteristics. The Fund did not commit to invest in investments aligned to the EU Taxonomy, and 0% were aligned to the EU Taxonomy. 45.16% related to investments with other environmental characteristics, and 36.52% related to socially sustainable investments. 3.60% 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.

Asset allocation values for the current period may not be comparable to the previous period(s) due to changes relating to the (a) presentation of incidental EU Taxonomy aligned investments (b) methodology in how assets contributing to both environmental and social objectives are allocated and/or (c) basis of the calculation of data (year-end versus average of four quarters). These changes did not have any impact on the Fund's minimum commitments and the attainment of these commitments.



#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.

● 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 is as at 31 March 2026.

Economic Sector	% Assets
Manufacturing	54.10%
Manufacture of beverages	4.97%
Manufacture of wearing apparel	4.10%
Manufacture of chemicals and chemical products	8.88%
Manufacture of basic pharmaceutical products and pharmaceutical preparations	9.72%
Manufacture of rubber and plastic products	6.50%
Manufacture of computer, electronic and optical products	12.22%
Manufacture of electrical equipment	0.81%
Manufacture of machinery and equipment n.e.c.	3.81%
Manufacture of motor vehicles, trailers and semi-trailers	3.08%
Financial and insurance activities	16.65%

Financial service activities, except insurance and pension funding	5.29%
Insurance, reinsurance and pension funding, except compulsory social security	4.92%
Activities auxiliary to financial services and insurance activities	6.45%
Wholesale and retail trade; repair of motor vehicles and motorcycles	11.88%
Wholesale and retail trade and repair of motor vehicles and motorcycles	0.33%
Wholesale trade, except of motor vehicles and motorcycles	10.10%
Retail trade, except of motor vehicles and motorcycles	1.45%
Information and communication	11.56%
Publishing activities	6.00%
Computer programming, consultancy and related activities	1.80%
Information service activities	3.76%
Electricity, gas, steam and air conditioning supply	1.75%
Accommodation and food service activities	0.45%
Food and beverage service activities	0.45%
Other*	3.60%

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

A breakdown of the sub-sectors the Fund is exposed to, including any sub-sectors of the economy that derive revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage, and trade of fossil fuels, is provided above.



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 as at 31 March 2026 was 0%.

The Fund has previously reported incidental EU Taxonomy aligned investments throughout relevant sections of the report. However, for this reporting period and going forward, any incidental EU Taxonomy aligned investments are only reported in the Taxonomy alignment section below but not elsewhere in the report, including the asset allocation section.

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.

Taxonomy-aligned activities are expressed as a share of:

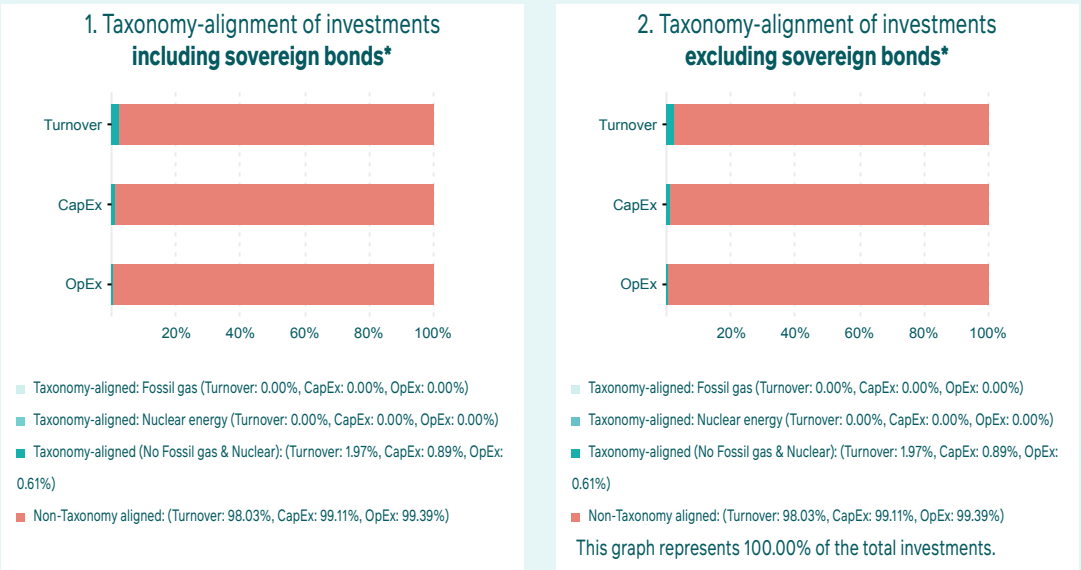
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities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

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

- ☐ Yes:
- ☐ In fossil gas
- ☐ In nuclear energy
- ☒ No

¹ 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.

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
Climate Change Mitigation	0.93%
Climate Change Adaption	0.00%
Use and Protection of Water and Marine Resources	0.00%
Transition to a Circular Economy	1.04%
Pollution Prevention and Control	0.00%
Protection and Restoration or Biodiversity and Ecosystems	0.00%

The above graph and table describe the incidental EU Taxonomy alignment of all investments the Fund has made.

The EU Taxonomy data was not subject to a third-party review or an assurance provided by an auditor. Alignment has been obtained using multiple third-party data providers and is based on figures reported by companies to meet their obligations under the EU Taxonomy Regulation. Due to inconsistencies in how taxonomy-related information are reported across the investment chain, the sum of the percentage contribution across the six Taxonomy Environmental objectives in the table above may not equate to the sum of the Taxonomy-aligned investments disclosed in the bar graph. We continue to seek ways to enhance the consistency and reliability of the information presented. These figures are presented for transparency purposes only and did not affect the way the Fund has been managed.

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

The share of the Fund's investments made in transitional activities as at 31 March 2026 was 0% and in enabling activities 1.59%. This compares to a minimum percentage commitment of 0% stated in the Fund's precontractual disclosure.

Activity	Percentage Investments
Share of Transitional Activities	0.00%
Share of Enabling Activities	1.59%

● **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 as at 31 March 2026 was higher overall than in previous periods (see the table below).

Reference period	Including sovereign bonds			Excluding sovereign bonds		
	Turnover	CapEx	OpEx	Turnover	CapEx	OpEx
As at - 31 March 2026	1.97%	0.89%	0.61%	1.97%	0.89%	0.61%
As at - 31 March 2025	0.87%	0.19%	0.12%	0.87%	0.19%	0.12%
As at - 31 March 2024	1.00%	0.00%	0.00%	1.00%	0.00%	0.00%

 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 as at 31 March 2026 was 45.16%. This compares to a minimum percentage commitment of 5% in environmentally sustainable investments (i.e., both aligned to the EU Taxonomy and not) 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 as at 31 March 2026 was 36.52%. 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?

As at 31 March 2026 the Fund held cash, currency derivatives and a money market fund 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 was 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”).

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.

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

● 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

● How did this financial product perform compared with the broad market index?

N/A