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M&G Investments Southern Africa

2024 TCFD REPORT

This report, covering the reporting period 1 January to 31 December 2024, sets out our disclosures in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) for M and G Investments Southern Africa (Pty) Ltd (“M&GSA”) This includes assets managed and administered by or for the following entities:

- **M and G Investment Managers (Pty) Ltd**
- **M and Investments Unit Trusts South Africa (RF) Ltd**
- **M and Investments Life South Africa (RF) Ltd**
- **M and G Investments (Namibia) (Pty) Ltd**
- **M and G Investments Unit Trusts (Namibia) Ltd**

The disclosures in this report for the six legal entities outline how they consider climate-related matters when managing assets, encompassing their approach to Governance, Strategy, and Risk Management, as well as relevant climate-related Metrics and Targets.

Ann Leepile
Chief Executive Officer: M&GSA
June 2025

Our climate-related disclosures are consistent with the TCFD recommendations and reflect relevant TCFD Annex material (Guidance for All Sectors and supplementary ‘Asset Managers’ guidance).

M&GSA is a subsidiary of M&G Group Limited (MGG), which is part of M&G plc (also herein referred to as ‘the Group’). As there is alignment with the Group’s broader strategy and approach to climate risks and opportunities, this report relies on and cross-references Group-level TCFD disclosures published in the M&G plc 2024 Annual Report and Accounts (ARA), supplemented by entity-specific disclosure where appropriate.

TCFD pillars & Recommended disclosures

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Entities in scope

M&GSA's main operations are based in Cape Town, with offices in Johannesburg and Namibia. Operational carbon footprint data of all three of these offices and climate metrics of M&GSA's investment portfolio are included within this report. M&GSA is a subsidiary of M&G Group Limited (MGG). MGG is one of the main subsidiaries of M&G plc group – it acts as the main holding entity for M&G plc's asset management business, which manages assets across a broad range of investment strategies and asset classes.

M&GSA offers wholesale and intuitional clients a range of products comprising publicly listed holdings.

Governance

M&GSA is a subsidiary of MGG, which holds a 50.12% equity stake and is a subsidiary of M&G plc¹. With this majority ownership, M&G plc's sustainability approach, including sustainability-related policies, frameworks, position statements, significantly guide and inform internal policies and processes at M&GSA. While the South African socio-economic context and investment universe differ from our parent asset manager, MGG, the overarching responsible investment approach between these two entities is broadly aligned².

M&GSA reports to M&G Plc through various channels with the primary reporting line through M&GSA's CEO.

M&GSA is captured by MGG's and M&G plc's governance requirements. The formal committees included in this process include the MGG Sustainability Steering Committee (SSC), the Group wide ESG Disclosure Panel and Executive Sustainability Committee (ESC), both of which form part of M&GSA's reporting line for climate metrics and Responsible Investing (RI) activities, details which can be found in the [MGGTCFD Report \(2023\)](#). 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 issues.

¹ M&GSA is also owned by Thesele Group (21.80%) and M&GSA staff (28.08%).

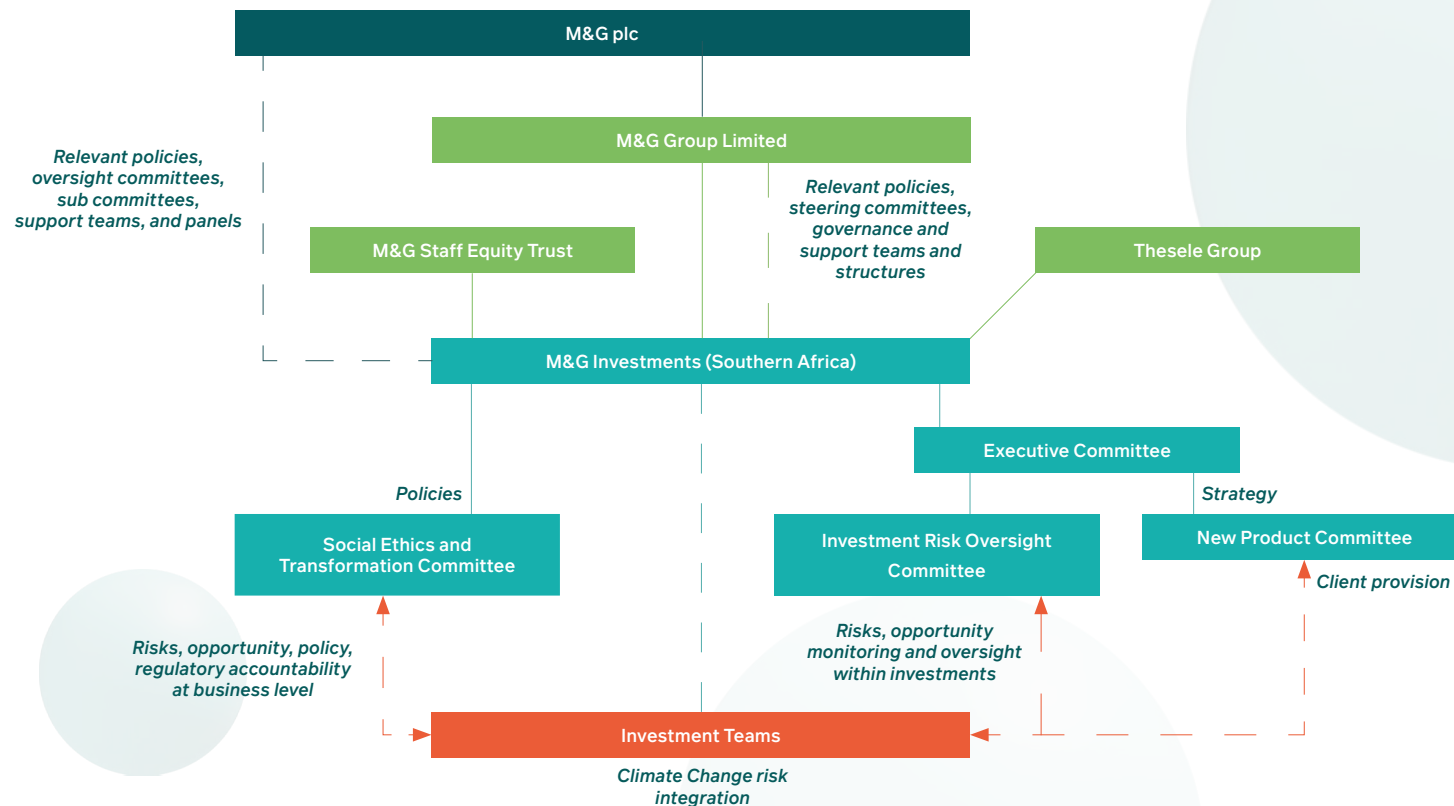
² It is worth noting that M&GSA in some instances will not fall under scope of all M&G Plc and M&G Investment's policies and frameworks, however, key principles, themes and processes are shared between the entities

Management has been assigned specific responsibilities for overseeing climate change and climate-related metrics, as detailed in the following processes:

- M&GSA's SET (Social, Ethics and Transformation) Committee, in line with the local regulatory requirement of the Companies Act of 2008, is tasked with monitoring and reviewing the organisation's environmental (and social) business activities and their impacts. This includes climate metrics and performance provided throughout this report.
- Additionally, the Investment Risk Oversight Committee – an independent committee (comprising the CEO, Head

of Compliance, Head of Portfolio Risk Oversight, and a senior representative from the MGG Investment Risk team) is tasked with monitoring investment risk-taking activities across the firm's entire AUM with two focuses:

- Stocks and Issuers to whom we have materially large exposures - Their primary ESG risks are reported upon, including, where relevant, climate-related risks.
- Stocks and issuers who have been escalated to watchlists during the period, and those that remain on watchlists as their ESG-related risks remain unresolved. This includes stocks with high climate change risk activities and related incidents where these have 'triggered' a watchlist criteria.



Due Diligence and Data

M&GSA primarily uses internal research undertaken by the ESG team or performed by investment analysts throughout the investment process to carry out ESG integration and stewardship activities. Climate portfolio metrics within this report are provided by MGG's Sustainability Quant and Systems Team. Service providers are divided into strategic and non-strategic partners. Those that are strategic in nature are monitored with regular service reviews on a monthly and/or quarterly basis due to the nature of the data and the demand to monitor the services. The strategic partners include MSCI, Sustainalytics, ISS, Morningstar, LSEG, Refinitiv, and Bloomberg. Non-strategic contracts are renewed on an annual basis to understand what progress has been made in terms of data quality and service. The team also hosts meetings with non-strategic data providers to discuss feedback and next steps, if any amendments are required to the existing contract.

The Market Data team is also working to produce data quality metrics to enable us to understand data coverage and gaps from the vendors and use this information to hold them to account.

MGG's ESG Data Strategy records preferred vendors for particular coverage and subject matter. Vendor selection is based on two key criteria:

- Data quality and accuracy – whether the vendor's products deliver accurate, actionable information in the context of the envisaged use case
- Breadth of coverage for particular asset classes



Strategy

As a subsidiary within the broader M&G plc group, M&GSA is guided by our parent's frameworks.

Group level strategy

In 2024, M&G plc undertook a review of its sustainability strategy to ensure focus on areas that are most important to the Group where it can have the most impact, resulting in the development of a new sustainability framework. As part of this framework, activities are grouped under two themes - 'Resilient planet' and 'Resilient societies' - which include work on climate, communities and people, with the addition of nature given its growing importance to the Group's customer and clients as well as broader society.

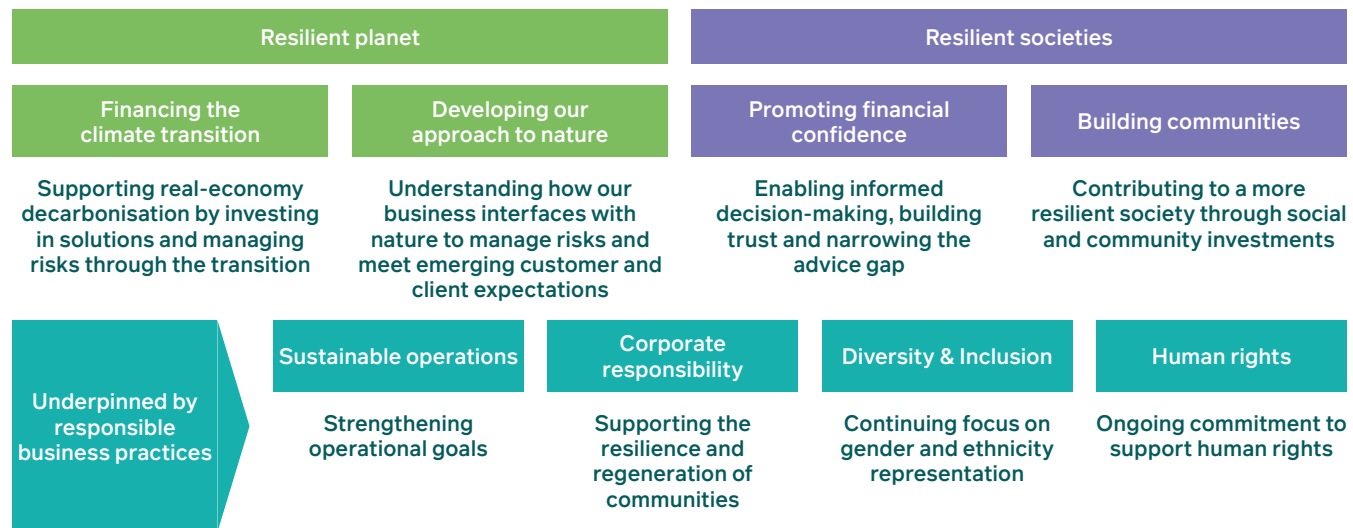
The 'Resilient planet' theme is supported by two pillars - 'Financing the climate transition' and 'Developing our approach to nature'. The 'Resilient societies' theme also comprises two pillars - 'Promoting financial confidence' and 'Building communities. Specific to the context of this report, the 'Financing the climate transition' pillar of the sustainability frameworks seeks to support real-economy decarbonisation by investing in solutions and managing risks through the transition. As this TCFD report is focused on climate risks and metrics, report content links to the 'Financing the transition' pillar of the sustainability strategy framework. For more information on the Group's sustainability frameworks, please refer to the M&G plc Annual Report for 2024, pages 31-32.

'Financing the climate transition' seeks to enable our the Group's customers and clients to transition their investments to a low-carbon economy by investing in businesses that are driving and innovating in sustainable products and services and using our influence as active investors to encourage companies to align to net zero carbon business models. Through MGG's development of its climate research and investment strategies, customers are provided and clients are provided with

access to companies and assets that are profitably navigating the transition to a low-carbon economy, leveraging our diversified investment capabilities across public markets.

This approach is further expanded in the Group Climate Action Framework, which uses three levers to manage investment-related climate risks and opportunities on behalf of the wider Group's clients. The three levers are 'Grow', 'Align', and 'Re-allocate'. This approach is shown below:

Group sustainability framework



M&GSA Strategy

As a subsidiary of MGG, M&GSA is guided by the former's frameworks, policies, and position statements of various ESG aspects within our local investment approach where relevant and appropriate. However, there are important aspects of the Southern African economy and listed companies, particularly compared with a developed country context, that inform our climate-related decision making. The size and composition of the Southern African investment universe mean that we do not routinely use negative screening and divestment. However, while not common, we have historically applied benchmark tilts, by taking underweight positions in certain issuers where climate-related engagement has not led to meaningful progress and we see heightened risks.

As active investors, M&GSA incorporates 'Align' through advocacy and engaging with policymakers (please refer to our 2024 Sustainability Report for recent examples of M&GSA's advocacy work), as well as engagements with our highest carbon-emitting investee companies. M&GSA leverages the Transition Assessment Framework, which is used to assess corporate climate targets and transition plans. The framework is based on the Net Zero Investment Framework guidance developed by the Institutional Investors Group on Climate Change (IIGCC). It involves assessing several components of a company's transition plan, including whether they have set science-based targets, actions to deliver their targets, and supporting investment. Companies are then assigned an overall level: net zero, aligned, aligning, committed or not aligned with the goal of the Paris agreement.

The outcome of these analyses and engagements is to use indicators of the TAF (such as whether an issuer as reported on CAPEX allocated to its transition plan or whether an entity has set a net-zero target, for example) during engagements with investee companies, as discussion points and analysis indicators. Using these indicators to guide engagement objectives, businesses will be engaged with an objective to improve their climate strategies and lower their resulting emissions. This should in turn reduce climate-related risks on a portfolio level.

The complex nature of South Africa's dependence on fossil fuels and its economic status means the local economy faces significant challenges to pragmatically achieve net zero by 2050 at present. In light of this, M&GSA does not have its own long-term Net Zero target at present, however, through our Stewardship activities, we continue to work on reducing our portfolio's climate risks and emissions, which will contribute to the overall emissions performance of our parent company, MGG. MGG and the wider M&G plc both have climate-related targets, details of which can be found in the M&G plc 2024 Annual Report and Accounts (page 66).

More information on our ESG integration approach, Stewardship, and engagement characteristics can be found in our [Responsible Investment Policy](#).

Risk management

The Group's Risk Management Framework embeds the identification, assessment, and management of climate-related risks, along with other ESG-related risks throughout M&GSA's investment processes. Various frameworks and processes structured under the three lines of defense model support the implementation of the risk management approach.

Climate risk integration is primarily undertaken by the investment team through each investment analyst's accountability, which is formally stipulated in M&GSA's Responsible Investment Policy. This is managed and included in the analysis of climate risks throughout the investment process. This is further supported by M&GSA's internal ESG integration and risk identification tool, which helps our investment teams identify and monitor which sectors and entities have material environmental and climate risks across their stock coverage. This tool uses the SASB ESG indicators to map material sector-specific ESG risks for each of our stocks, highlighting issuers with potential elevated risks. Investment analysts also include ESG risks as part of their fundamental analysis when presenting their research and valuations during weekly investment research and voting sessions.

From a first-line perspective, our ESG team plays an integral role in supporting the investment team to identify and manage climate risks relevant to our investment portfolios. While ESG risks and opportunities are ultimately the responsibility of the investment analyst, as discussed above, the ESG team facilitates this process through M&GSA's Responsible Investing Policy supporting ongoing monitoring and decision making by the relevant investment analyst.

Using financed carbon emissions metrics data, our ESG team engages with our investee companies that have some of the highest emissions across our portfolios. This work entails an analysis of top carbon-emitting companies' decarbonisation plans and pathways before engaging with these entities. This engagement work is undertaken in collaboration with the Corporate Finance and Stewardship team at MGG to ensure alignment in processes. These engagements and analyses allow our teams to assess the credibility of investee companies' emission reduction plans, providing a process with which to monitor M&GSA's investee companies that have a higher risk across our portfolios and finances carbon emissions.

Where material ESG risks, including those related to climate change, exceed M&GSA's internal threshold criteria, these stocks are brought forward to the Investment Risk Oversight Committee (IROC) either by the investment analyst or the ESG Manager. This Committee monitors and tracks high-risk stocks and incidents that could have a material financial impact on our portfolios. This committee is attended by the various asset class CIOs, staff members from Risk, Governance, and Compliance, the Head of Portfolio Risk, as well as the ESG team. In addition to escalation and flagging processes, all prominent exposures need to be reported to IROC quarterly.

Additionally, material climate change business activities of M&GSA, such as those of our investee companies, are monitored at the SET Committee three times a year. This is a function of local legislation under the Companies Act of 2008.

Metrics

We use a range of metrics to identify and assess climate-related risks and opportunities across investment portfolios. Scope 1 and 2 greenhouse gas (GHG) emissions are used to inform investment decisions and engagement efforts. 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 this emissions category remains poor, which makes it less reliable for decision-making. We complement carbon metrics with forward-looking tools, such as implied temperature rise (ITR), which supports a more complete understanding of climate-related risks and opportunities.

Emissions metrics across M&GSA's portfolios have been calculated based on the Partnership for Carbon Accounting Financials (PCAF) principles. Carbon measurement methodologies, including PCAF, are continually evolving, and updated guidance will be considered as it is issued. We continue to include a data-quality score covering public equities, public corporate bonds, and sovereign debt asset classes. The data-quality score, based on PCAF methodology, indicates the quality of the source data used to derive emissions for individual issuers – the score ranges from 1 to 5, where 1 represents the highest data quality and 5 the lowest.

In our analysis, coverage refers to the proportion of in-scope assets under management and administration (AUMA) for which we have sufficient environmental, financial or other such data required for the calculation of the given metric (reported or estimated). In-scope asset classes include public equities, corporate bonds, and sovereign debt. Coverage figures have largely remained consistent over the year. Further improvements are expected as the availability of data improves, and industry guidance extends to a broader range of asset classes. Asset classes such as cash, derivatives, and asset-backed securities (ABS) are not included at present, reflecting a lack of either climate accounting standards or mature data sources for these types of assets.

All figures presented reflect the annual emissions calculated concerning the in-scope AUMA of each asset class as of 31 December for each year. Information on definitions of metrics reported and limitations relating to data used are detailed in the Group's 2023 Environmental Metrics Basis of Reporting ([Basis of Reporting](#)), published on M&G plc's website. It should be noted that we use 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. While high-level checks are performed on the data received, we are reliant on the accuracy of source data received from these external vendors.

Targets

M&GSA has no formal targets yet to reduce its portfolio or operational emissions. Our investee companies continue to primarily rely on the Eskom grid and power supply, impacting our financed Scope 2 emissions. Until the national grid both expands and significantly pivots away from coal-sourced energy to more renewable energy sources, listed companies, especially those in the mineral and industrial sectors, continue to face challenges in sourcing more affordable, widely supplied renewable energy needed for a low-carbon transition. Engagement with some of the largest industrial companies listed on the JSE over the last 24 months have demonstrated efforts to secure Independent Power Producers (IPP) and wheeling contracts, as well as the construction of their own renewable power supply on site. These, however, require significant CAPEX and are time-consuming projects to implement. While M&GSA notes these efforts, significant progress is still needed on a national level to ensure the transition of the South African economy. This is why public policy engagement to support systemic change is important, as per the 'Align' lever in the Climate Action Framework.

Our parent company and the wider Group, MGG and M&G plc, both have long-term net-zero targets. At Group level, M&G plc has pledged to achieve net zero carbon emissions across investment portfolios and operations by 2050, in line with the Paris Agreement. At an asset management level, climate commitments are supported by interim decarbonisation targets set through M&G Investments' (encompassing M&G Investment Management Limited, M&G Alternatives Investment Management Limited and M&G Securities Limited) membership of the Net Zero Asset Managers initiative (NZAMi). Initial interim decarbonisation targets for 2030 cover public equities, corporate bonds and real estate assets within funds managed on behalf of the Group's asset owner business, representing over ZAR 8 trillion AUMA as at 31 December 2024.

Climate metrics

M&GSA's in-scope assets that we report on cover public equities, corporate bonds and sovereign debt.

Public equities and corporate bonds

The table presents emissions metrics relating to M&GSA's public equities and corporate bonds. The underlying emissions data is sourced from MSCI and Bloomberg.

	2024		2023	
	Value	Coverage	Value	Coverage ³
AUMA in-scope for metrics presented (ZARm)	214,127	N/A	211,629	N/A
Financed carbon emissions (FCE) Scope 1 and 2 (ktCO ₂ e)	2,492	93%	3,073	93%
Data quality score – Scope 1 and 2	2.1	N/A	2.2	N/A
Financed carbon emissions (FCE) Scope 3 (ktCO ₂ e)	8,946	93%	10,310	93%
Data quality score – Scope 3	2.3	N/A	2.2	N/A
Carbon footprint Scope 1 and 2 (tCO ₂ e/ZARm invested)	13	N/A	15	N/A
Carbon footprint Scope 3 (tCO ₂ e/ZARm invested)	45	N/A	51	N/A
Weighted average carbon intensity (WACI) Scope 1 and 2 (tCO ₂ e/ZARm sales)	25	91%	28	92%
Weighted average carbon intensity (WACI) Scope 3 (tCO ₂ e/ZARm sales)	92	90%	145	92%

³ Please note that figures for coverage for 2023 data in this report have changed slightly when compared to last year's TCFD report. This is due to improvements in data coverage as we continue develop our data methodology. Coverage scores previously did not include use of proceeds data which have been added this year.

Analysis of 2024 compared with 2023 metrics

When compared with the 2023 reporting period, both our Scope 1, 2, and 3 Financed Carbon Emissions (FCE) have decreased. This can be attributed to moving to underweight positions in, or some cases exiting entirely, stocks that were some of the highest-emitting investee companies within our client portfolios. These stocks had materially disproportionately high FCEs compared to their peers in the benchmarks, meaning the FCEs of our client portfolios were sensitive to small changes in issuer exposure. These stocks were predominantly from industrial resources, mineral resources, energy, and oil sectors.

WACI (weighted average Carbon Intensity) metrics have similarly decreased significantly, especially across Scope 3, reflecting a lower carbon emissions intensity across our portfolios. This also reflects the above changes in exposure to high emitting stocks, through moving to underweight positions, or exiting positions entirely.

Throughout 2024, M&GSA continued to undertake engagements with its highest-emitting investee companies around their transition plans, encouraging these entities to improve their carbon emission performance and reporting. These included engaging with companies on various metrics and levers to improve their transition to a low-carbon pathway. This work continues to be a focus for M&GSA across our portfolio holdings.

Portfolio Alignment

One aspect of monitoring and assessing the credibility of investee companies' decarbonisation strategies entails setting net zero targets. In 2024, there was a reduction in issuers committed to setting targets under the Science Based Targets Initiative (SBTi) but this is partly explained by companies progressing to 'target set' status. The number of issuers with validated targets rose from 15 to 25 over the reporting period. Encouraging investee companies and issuers to set net zero targets continues to be an area M&GSA focuses on as part of the work required to transition our portfolio to a low-carbon emission pathway.

Year	SBTi Target Committed - Issuers	SBTi Target Set - Issuers
2023	7	15
2024	2	25

Sovereign debt

In the table below, we have included financed domestic production and consumption emissions, and their respective weighted average intensities.

	2024			2023		
	Value		Coverage	Value		Coverage
	Incl. LULUCF	Excl. LULUCF		Incl. LULUCF	Excl. LULUCF	
AUMA in-scope for metrics presented (ZARm)	68,065	68,065	N/A	69,248*	69,248*	N/A
Financed sovereign production emissions Scope 1 (ktCO ₂ e)	2,065	2,005	100%	2,199	2,142	100%
Data quality score – Scope 1	4	4	N/A	4	4	N/A
Financed sovereign consumption emissions Scope 1,2,3 (ktCO ₂ e)	1,719	1,659	100%	1,656	1,630	95%
Data quality score – Scope 2 and 3	4	4	N/A	4	4	N/A
Weighted average sovereign production intensity Scope 1 (tCO ₂ e/PPP-adj GDP)	0.573	0.556	100%	0.58	0.57	100%
Weighted average sovereign consumption intensity Scope 1,2,3 (tCO ₂ e/Capita)	7.452	7.208	100%	7	7	95%

Analysis of 2024 compared with restated 2023 metrics

In 2024, sovereign emissions decreased in line with the decrease in in-scope AUMA. This decrease in AUMA can be attributed to net outflows across the asset class.

Portfolio Alignment

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.

The key forward-looking metric that we monitor for public assets is Implied Temperature Rise (ITR). This metric allows a user to quickly gauge if our clients' investment's under management GHG emissions trajectory is aligned with the Paris Agreement. It is a simplified tool allowing us to assess the transition profile of our portfolio and any changes we make to our portfolios during the year.

This modelling is undertaken by teams in the broader M&G plc group on behalf of M&GSA. Aladdin Climate is used to model ITR across public equities and corporate bonds portfolios. ITR is an intuitive way to assess transition alignment by translating each issuer and stocks emissions trajectory into a temperature increase that can be weighted and aggregated. In simple terms, it shows what the global temperature rise could be if the whole economy followed the same emissions pathway (carbon budget over or undershoot) as the issuer, stock or portfolios are analysed.

ITRs are inherently limited and we recognise the following:

- There is no commonly accepted approach to temperature alignment calculations, which makes comparisons across different model outputs problematic.
- The methodology we have used locates a carbon budget to each company and compares that company's progress and expected future emissions against that budget.
- The calculation is sensitive to sector emissions assumptions.

- It is based on carbon intensity (emissions per unit of revenue for each investee) and on projections of future emissions, which are subject to significant uncertainties.
- The portfolio ITR is calculated as the weighted average of individual company ITR's (based on market value).
- ITR by its nature is a point-in-time metric and, therefore, does not account for likely changes to the assets being modelled.

While ITR has limitations, it provides a useful indication of alignment when viewed in conjunction with other information.

The scenarios used in this model are based on Representative Concentration Pathway (RCP) 2.6 and 8.5, as produced by the IPCC. These broadly align to the public asset orderly and hot house scenarios.

MGSA ITR analysis shows that issuers are aligned to a broad range of temperature outcomes, but on current trajectories the MGSA portfolios are in the 4.1-degree range when factoring in emissions targets, and in the 4.2-degree range omitting these targets.

While the average across our modelled assets is higher than the Paris agreement goals, this is consistent with the broader South African economy and, therefore, not surprising at this stage of the climate transition.

Temperature alignment - with emission targets	°C	4.1
Temperature alignment - without emission targets	°C	4.2
Temperature alignment coverage as a % of AUMA (using YE 2024 Model)	%	96%

These numbers gauge if an issuer or portfolio's GHG emissions trajectory is aligned with the Paris Agreement. They reflect South Africa's high coal dependency in our electricity supply. This is the key complexity to the Just Transition – the power supply company, Eskom, which accounts for a large proportion of total South African emissions, is operating at overloaded capacity on an aged coal power fleet. The economy is almost entirely dependent on this electricity provider (supplying over 80% of electricity used in South Africa, and approximately 50% in Namibia). Removing existing coal stations and replacing them with sustainable energy in a developing country requires urgent and large-scale funding to enable this pivot. By contrast, lack of capital investment will worsen the electricity crisis, which will weaken the economy, amplifying the inability to transition to decarbonisation.

These numbers represent an increase in expected temperature from the prior year, despite a reduction in emissions on the overall WACI and ultimate emissions on the assets under management. So, while the exposure to heavy emitters has reduced, the lack of temperature alignment has widened. This is due to a number of factors including Aladdin Climate being updated in 2023 to better reflect the latest scientific developments, as well as new data sets, including issuer net zero target information (e.g., Science Based Targets initiative and CDP data) as well as a material increase in coverage.

Operational Carbon Footprint

Our operational greenhouse gas (GHG) emissions have been compiled in accordance with the United Kingdom's Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Provision of this data and oversight has been with assistance from teams based in the broader M&G plc Group.

Location	Scope	Scope category	2024	2023	2022
South Africa	Scope 1 (tCO ₂ e)	Oil (generators)	0.24	5.99	5.35
	Scope 2 (tCO ₂ e) Location based	Electricity, Purchased heat and steam	450.75	418.84	546.11
	Scope 2 (tCO ₂ e) Market based (supplier and residual mix)	Electricity, Purchased heat and steam	0	0	0
	Scope 2 (tCO ₂ e)	Generator electricity (scope 2)*	1.63	0.33	0.24
	Scope 3 (tCO ₂ e)	Water	0.35	0.24	0.23
	Scope 3 (tCO ₂ e)	Waste	0.0030	0.1	0.1
Emissions intensity per employee (tCo ₂ e/FTE)			2.54	2.23	3.17
	Scope 1 (tCO ₂ e)	Oil (generators)	0	1.67	3.97
	Scope 2 (tCO ₂ e) Location based	Electricity, Purchased heat and steam	0.37	1.67	0
	Scope 2 (tCO ₂ e) Market based (supplier and residual mix)	Electricity, Purchased heat and steam	0.37	0.0012	0.0026
	Scope 3 (tCO ₂ e)	Air Travel*	8.61	N/A	N/A
Emissions intensity per employee (tCo ₂ e/FTE)			1.56	0.84	1.99

*New metric for 2024

Summary notes and highlights

Oil (diesel generators) figures decreased significantly in 2024 when compared to 2023 figures, which can be attributed to the decrease in loadshedding and subsequent use of generator-powered electricity used throughout the reported period.

M&GSA have added two additional scope categories to our operational carbon footprint: Air Travel and Waste. These figures are currently quite low and expected to increase with the next reporting period as our data capturing and collection improves. Waste figures for the 2024 period will stay the same, but Air Travel is expected to increase and will be restated in the next TCFD report as we improve our reporting.

We have included an emissions intensity per employee metric across our South African and Namibian operations to gauge the performance of our emissions performance. The intensity of these figures has increased significantly for both locations. For the Namibian office, this is largely attributed to

the inclusion of air travel emissions to our carbon footprint for 2024. For the Cape Town (South Africa) office, this is attributed to the inclusion of Generator Fuel data, which increased when compared to the previous two reporting periods in 2023 and 2022, respectively. Scope 2 Generator Fuel-related emissions increased in 2024, as we used more of the building's generators (in which our offices, amongst other businesses, is located). In times of loadshedding, we predominantly use the wider building's generators and only use own, as needed. We will continue to monitor the intensity as a metric to understand the efficiency and effectiveness of our management of our emissions.

Employee commute to work, part of business travel, continues to be a Scope 3 category, which we aim to include in future reporting.

Glossary

Term	Definition
Aladdin Climate	Aladdin Climate is a BlackRock software application, which enables investors to measure the physical risk of climate change and the transition risk to a low-carbon economy on portfolios with climate-adjusted security valuations and risk metrics.
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.
Climate Action 100+ (CA100+)	Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.
Disorderly scenario	The disorderly scenario used 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.
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 change in financial factors such as market movements and portfolio values, which are separate to real world emissions.
Financed scope 1 emissions	Financed scope 1 emissions include direct emissions from an issuer's owned or controlled sources, e.g., emissions associated with fuel combustion in boilers and fleet vehicles.
Financed scope 2 emissions	Financed scope 2 emissions include indirect emissions from purchased or acquired energy, e.g., 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.
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 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.
Institutional Investors Group on Climate Change (IIGCC)	The Institutional Investors Group on Climate Change (IIGCC) is the European forum for investor collaboration on climate change. It works with business, policy makers and fellow investors to help define the investment practices, policies and corporate behaviours required to address climate change.
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.

Glossary continued

Term	Definition
Network for Greening the Financial System (NGFS)	The 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.
Net Zero Asset Managers initiative (NZAMi)	The Net Zero Asset Managers initiative (NZAMi) is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C.
Orderly scenario	The orderly scenario used 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.
Science Based Targets initiative (SBTI)	The Science Based Targets initiative is a partnership between CDP, UN Global Compact, World Resources Institute, WWF, and We Mean Business Coalition that helps companies set emissions reduction targets aligned with climate science

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