

European SRI Transparency Code

Janus Henderson Global Sustainable Equity Strategy

1st July 2020 to 30th June 2021

For promotional purposes.

The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.

Statement of Commitment

Sustainable and Responsible Investing (SRI) is an essential part of the strategic positioning and behaviour of Janus Henderson Investors. We have been involved in SRI since 1977 and welcome the European SRI Transparency Code.

Janus Henderson Investors was formed by the merger of Henderson Global Investors with Janus Capital Group on 30th May 2017. This is Janus Henderson's third statement of commitment and covers the period 1st July 2020 to 30th June 2021. Following the completion of the merger on 15th December 2017 the name of our flagship Global Sustainable Equity Fund was changed to Janus Henderson Global Sustainable Equity Fund. Henderson Global Investors made several statements of commitment to the European SRI Transparency Code under the previous fund name of Henderson Global Care Growth.

Our full response to the European SRI Transparency Code can be accessed below and is available in the long form annual report of the retail funds and on our website.

Compliance with the Transparency Code

Janus Henderson Investors is committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in which we operate. Janus Henderson Investors meets the full recommendations of the European SRI Transparency Code.

1st July 2020

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1. List of funds covered by the Code

Name of the fund: Janus Henderson Horizon Global Sustainable Equity Fund					
Dominant/preferred SRI strategy (Please choose a maximum of 2 strategies)	Asset class	Exclusions standards and norms	Fund capital as at 30 June 2019	Other labels	Links to relevant documents
<input type="checkbox"/> Best-in-Class Investment section <input type="checkbox"/> Engagement & Voting <input type="checkbox"/> ESG Integration x Exclusions <input type="checkbox"/> Impact Investing <input type="checkbox"/> Norms-Based Screening <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Leading to exclusions <input checked="" type="checkbox"/> Leading to risk management analysis/engagement x Sustainability Themed	Passively managed <input type="checkbox"/> Passive investing – core benchmark: specify the index tracking <input type="checkbox"/> Passive investing – ESG/SRI benchmark: specify the index tracking Actively managed <input type="checkbox"/> Shares in a euro area country <input type="checkbox"/> Shares in an EU country x International shares <input type="checkbox"/> Bonds and other debt securities denominated in euro <input type="checkbox"/> International bonds and other debt securities <input type="checkbox"/> Monetary assets <input type="checkbox"/> Short-term monetary assets <input type="checkbox"/> Structured funds	x Controversial weapons x Alcohol x Tobacco x Arms x Nuclear power x Human rights x Labour rights x Gambling x Pornography x Animal testing <input type="checkbox"/> Conflict minerals <input type="checkbox"/> Biodiversity x Deforestation x CO2 intensive (including coal) x Genetic engineering x Other (please specify) x x Fur x x Intensive Farming x x Contentious Industries x Global Compact x OECD Guidelines for MNCs x ILO Conventions	\$381.9M	x French SRI label <input type="checkbox"/> French TEEC label <input type="checkbox"/> French CIES label x Luxflag Label x FNG Label <input type="checkbox"/> Austrian Ecolabel x Febelfin x HK-SFC <input type="checkbox"/> Other (please specify)	Please refer to the fund's Investment Principles for a comprehensive explanation of the exclusion standards: The Investment Principles and other key documents can be found on the fund's website: https://www.janushenderson.com

Name of the fund: Janus Henderson Global Sustainable Equity Fund					
Dominant/preferred SRI strategy (Please choose a maximum of 2 strategies)	Asset class	Exclusions standards and norms	Fund capital as at 30 June 2020	Other labels	Links to relevant documents
<input type="checkbox"/> Best-in-Class Investment section <input type="checkbox"/> Engagement & Voting <input type="checkbox"/> ESG Integration x Exclusions <input type="checkbox"/> Impact Investing <input type="checkbox"/> Norms-Based Screening <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Leading to exclusions <input checked="" type="checkbox"/> Leading to risk management analysis/engagement x Sustainability Themed	Passively managed <input type="checkbox"/> Passive investing – core benchmark: specify the index tracking <input type="checkbox"/> Passive investing – ESG/SRI benchmark: specify the index tracking Actively managed <input type="checkbox"/> Shares in a euro area country <input type="checkbox"/> Shares in an EU country x International shares <input type="checkbox"/> Bonds and other debt securities denominated in euro <input type="checkbox"/> International bonds and other debt securities <input type="checkbox"/> Monetary assets <input type="checkbox"/> Short-term monetary assets <input type="checkbox"/> Structured funds	x Controversial weapons x Alcohol x Tobacco x Arms x Nuclear power x Human rights x Labour rights x Gambling x Pornography x Animal testing <input type="checkbox"/> Conflict minerals <input type="checkbox"/> Biodiversity x Deforestation x CO2 intensive (including coal) x Genetic engineering x Other (please specify) x Fur x Intensive Farming x Contentious Industries x Global Compact x OECD Guidelines for MNCs x ILO Conventions	\$1280.9M	x French SRI label <input type="checkbox"/> French TEEC label <input type="checkbox"/> French CIES label <input type="checkbox"/> Luxflag Label <input type="checkbox"/> FNG Label <input type="checkbox"/> Austrian Ecolabel <input type="checkbox"/> Febelfin <input type="checkbox"/> HK-SFC <input type="checkbox"/> Other (please specify)	Please refer to the fund's Investment Principles for a comprehensive explanation of the exclusion standards: The Investment Principles and other key documents can be found on the fund's website: https://www.janushenderson.com

2. General information about the fund management company

2.1. Name of the fund management company that manages the applicant fund(s)

Janus Henderson Investors
201 Bishopsgate
London
EC2M 3AE
United Kingdom
<https://www.janushenderson.com>

Key contact: Ama Seery
Email: GlobalSRI@janushenderson.com
Address: same as above
Phone: +44 (0)20 7818 1818

2.2. What are the company's track record and principles when it comes to integrating SRI into its processes?

Janus Henderson has a strong track record of corporate responsibility and responsible investment. At Janus Henderson we believe that Corporate Social Responsibility (CSR) is critical for our long-term sustainable success. As a global, active asset manager, our mission is focused on helping our clients achieve their long-term financial goals. In our business operations, we are committed to acting responsibly, not only in the way we invest and engage with our clients, but also in supporting our employees, managing our impact on the environment and contributing to the communities in which we work. Through our CSR pillars of Responsible Investing, Clients, Environment, Community and People, we leverage our influence to deliver value to our clients, employees, shareholders and the wider community in which we operate.

Responsible investment and ESG

We believe that Environmental, Social and Governance (ESG) integration can help to protect and enhance value and empower our investment teams to develop their own distinct approach for their asset class and client base. Janus Henderson supports ESG integration through a framework that includes a wide range of tools and shared resources as well as appropriate risk management and controls. These measures are designed to ensure that investment teams are aware of ESG risks and opportunities in order to help meet client requirements. Our approach reinforces our belief that ESG factors are critical ingredients for long-term business success.

Henderson Global Investors was a founder signatory to the United Nations Principles for Responsible Investment (UNPRI) and we are committed to implementing responsible investment practices across the Janus Henderson business. We are also committed to offering clients specialist SRI funds, with strict ethical screening criteria alongside our mainstream equity funds. We are a longstanding member of UKSIF and EUROSIF, the trade bodies for SRI investment in the UK and Europe, and we seek to play an active part in the promotion of SRI through these organisations.

Further details of the Janus Henderson approach to ESG can be found at:

<https://www.janushenderson.com/en-gb/adviser/environmental-social-governance-principles/>

2.3. How does the company formalise its sustainable investment process?

Janus Henderson's ESG Investment Principles sets out our approach to ESG issues. The 2019 ESG Company Engagement and Voting Review addresses our proxy voting policy for our Investment Management business, which includes all our equities and fixed income teams.

We believe that in order to achieve long-term success, companies need not only to conceive and execute appropriate business strategies, but also to maintain high standards of corporate governance and corporate responsibility. We therefore expect companies to operate according to recognised national and international standards in these areas.

We believe that individual investment teams are best placed to develop their own distinct approach to ESG integration in line with their investment processes. Important considerations include asset class, growth, value, or income bias, the importance of thematic or fundamental analysis and geography. This is why we do not have any top-down house rules on the approach taken to ESG integration. We also do not have self-imposed group-wide exclusions on companies, sectors, or in relation to specific ESG issues. Our investment teams are responsible for determining their investment universe, in line with their investment process and product or client requirements.

The Janus Henderson 2019 ESG Company Engagement and Voting Review sets out our approach to voting and company engagement and can be found at:

http://fundamentals.hds.int/Search/_layouts/15/Henderson/Fundamentals3/Download.aspx?t=doc&did=0a6824afd99148fb9ee90f2b907fe63f

2.4. How are ESG risks and opportunities – including those linked to climate change – understood/taken into account by company?¹

Our approach is underpinned by a belief that environmental, social and governance (ESG) factors are critical ingredients of long-term business success. We are focused on delivering long-term investment performance for our clients, and integration of ESG issues into our investment decision making, voting and ownership practices plays an important part in our success. The focus at the firm/company level is on ensuring that ESG considerations are fully integrated into all our support functions for our investment teams, including research, investment platforms and risk tools.

ESG issues represent a very wide range of investment factors including: environmental issues such as climate change and water scarcity; social issues such as human capital and supply chain labour standards; and governance issues such as board composition and executive remuneration. When we look at climate change we consider the following risks:

- Policy and legal risks
- Technology risks
- Market risks
- Reputational risks
- Physical risks

We also consider opportunities associated with climate change. These include:

- Resource efficiency
- Energy source
- Products and services
- Markets
- Resilience

ESG factors are therefore in reality inextricable from other factors that determine the long-term success of companies, and they form an important consideration in the investment process of all our teams.

We subscribe to a wide range of external specialist ESG research, which is made directly available to all our investment teams. This includes sell-side and independent research, company ESG ratings, corporate governance ratings and company environmental data such as carbon emissions. Janus Henderson investment research and company engagement notes on ESG are shared on internal platforms and frequent discussions take place between investment staff on ESG-related issues. We aim to continually improve the quality of ESG research and data made available to our investment teams and to use this research to help demonstrate to clients the importance of ESG integration to investment performance.

We have a dedicated and specialist in-house governance and responsible investment team that works across all our investment teams as a resource to promote ESG integration. The team's role includes leading on

¹ Reference to Article 173 of the French TECV Act and the TCFD recommendations (risks and opportunities section)

initiatives to further improve ESG integration across the group, working to ensure investment teams have access to the best ESG research available, and making the case for deeper ESG integration. ESG research and data are integrated on investment platforms used across the group. This includes company-specific data and fund level data. These platforms are also used to share and disseminate ESG research.

Janus Henderson is a longstanding member of the Institutional Investor Group on Climate Change and an active supporter of the Carbon Disclosure Project. We make use of carbon emissions data both to raise awareness internally of climate risks as well as to proactively engage with the companies we invest in to encourage best environmental practices.

2.5. How many employees are directly involved in the company's sustainable investment activity?

Within Janus Henderson there are many people that are directly involved in the company's sustainable investment activity.

Global Sustainable Equity Team

Global Equity SRI team consists of three full time employees who manage, implement and integrate responsible investment policies and processes. The biographies of the team are provided below.

Hamish Chamberlayne, CFA Head of SRI | Portfolio Manager

Hamish Chamberlayne is Head of SRI at Janus Henderson Investors. He is also the Portfolio Manager of the Janus Henderson Global Sustainable Equity and Institutional Global Responsible Managed strategies, a role he has performed since 2012. Hamish joined Henderson in 2011 from Gartmore where he was a member of the global equity team, serving as an equity analyst. Prior to this, he worked as a senior auditor at PricewaterhouseCoopers from 2004 until 2007, where he covered a variety of sectors including energy, technology, and communications. He began his career at Burlington Consultants in 2003 where he performed commercial due diligence on businesses identified as acquisition targets by private equity houses.

Hamish graduated from New College, Oxford University with a master's degree in chemistry. He holds the Chartered Financial Analyst designation, is a qualified accountant, and has 17 years of financial industry experience.

Aaron Scully, CFA Portfolio Manager

Aaron Scully is a Portfolio Manager on the Global Sustainable Equity strategy at Janus Henderson Investors, a position he has held since 2019. From 2017, he was an assistant portfolio manager and was a research analyst from 2009 to 2019 focused on the real estate, infrastructure, and financial sectors. Aaron joined Janus in 2001 as a corporate financial analyst, became a research associate in 2004 and was promoted to junior equity analyst in 2007. Prior to that, he worked as a financial analyst in the financial development program at Cardinal Health.

Aaron received his bachelor of science degree in finance from Indiana University. He holds the Chartered Financial Analyst designation and has 22 years of financial industry experience.

Ama Seery, CEnv ESG Analyst

Ama Seery is an ESG Analyst at Janus Henderson Investors, a position she has held since 2018. Prior to joining Janus Henderson, Ama worked as a sustainability professional in the property sector, first acting as a scheme manager for BREEAM (green building certification). She went on to teach others how to certify green buildings before moving into constructing them.

Ama graduated from Wolfson College, Cambridge University with a master's degree in interdisciplinary design for the built environment. She holds the Chartered Environmentalist designation and has 12 years of sustainability experience.

Governance & Responsible Investment

Janus Henderson's GRI team consists of four full time employees who manage, implement and integrate responsible investment policies and processes. The biographies of the team are provided below.

Antony Marsden

Head of Governance & Responsible Investment

Antony Marsden is Head of Governance & Responsible Investment at Janus Henderson Investors, a title he has held as part of the Henderson team since 2014. In this role, he is responsible for leading the implementation of Janus Henderson's responsible investment policies and for supporting the integration of environmental, social, and corporate governance (ESG) issues across Janus Henderson's investment teams. Antony joined Henderson in 2005 as corporate governance manager. Prior to joining Henderson, he spent over six years at Pensions & Investment Research Consultants Ltd (PIRC), a corporate governance consultancy, in a variety of roles.

Antony has a degree in politics and international studies from the University of Warwick and an MSc with distinction in corporate governance and ethics from Birkbeck College, University of London. He holds the Investment Management Certificate (IMC) and has 20 years financial industry experience.

Charlotte Nisbet

Analyst, Governance and Responsible Investment

Charlotte Nisbet is a Governance and Responsible Investment Analyst at Janus Henderson Investors, a position she has held since 2020. Prior to this, she was a senior investment manager at Sarasin & Partners from 2015. Earlier, she was an account executive at Smithfield Consultants from 2013.

Charlotte received her bachelor of arts degree (Hons) in history from Newcastle University in the UK. She sits on the Janus Henderson Gender Diversity EMEA council. Charlotte holds the Investment Management Certificate (IMC), Chartered Wealth Management Certificate and has 5 years of financial industry experience.

Olivia Gull

Analyst, Governance and Responsible Investment

Olivia Gull is a Governance and Responsible Investment Analyst at Janus Henderson, a position she has held since June 2018. Olivia joined Henderson in 2015 and has worked in the Broker Relations team as well as the Front Office Governance and Risk team. Prior to Henderson, Olivia worked at the Centre for Chinese studies in South Africa while completing the Chinese Proficiency Exam (HSK 3).

Olivia has a degree in international studies from Stellenbosch University majoring in politics and Mandarin. She sits on the Diversity and Inclusion EMEA council and holds the Investment Management Certificate (IMC).

David Ray

Analyst, Governance and Responsible Investment

David Ray is a Governance and Responsible Investment Analyst at Janus Henderson, a position he has held since joining Janus Henderson in January 2018. Prior to Janus Henderson, David was employed in a research role at the Centre for Environmental Policy, Imperial College London, and has worked as a Sustainability Consultant on several large projects. Before working in sustainability, David was employed for three years as a Scientist in a Technical Services and Consultancy division of Cobham plc.

David holds an MSc with distinction in Environmental Technology (Environmental Economics and Policy specialisation) from Imperial College London, a BSc (Hons.) in Physics from the University of Sheffield, and the Investment Management Certificate (IMC).

2.6. Is the company involved in any RI initiatives?

General Initiatives	Environmental/Climate Initiatives	Social Initiatives	Governance Initiatives
<ul style="list-style-type: none"> <input type="checkbox"/> ECCR – Ecumenical Council for Corporate Responsibility <input type="checkbox"/> EFAMA RI WG <input type="checkbox"/> European Commission's High-Level Expert Group on Sustainable Finance <input type="checkbox"/> ICCR – Interfaith Center on Corporate Responsibility <input type="checkbox"/> National Asset Manager Association (RI Group) x PRI - Principles For Responsible Investment x SIFs - Sustainable Investment Fora x Other (please specify) x European Sustainable Investment Forum (EUROSIF) x UK Sustainable Investment and Finance Association (UKSIF) 	<ul style="list-style-type: none"> x CDP – Carbon Disclosure Project (please specify carbon, forest, water etc.) <input type="checkbox"/> Climate Bond Initiative <input type="checkbox"/> Green Bond Principles x IIGCC – Institutional Investors Group on Climate Change <input type="checkbox"/> Montreal Carbon pledge x Paris Pledge for Action <input type="checkbox"/> Portfolio Decarbonization Coalition <input type="checkbox"/> Other (please specify) 	<ul style="list-style-type: none"> x Access to Medicine Foundation <input type="checkbox"/> Access to Nutrition Foundation <input type="checkbox"/> Accord on Fire and Building Safety in Bangladesh x Other (please specify) x BBFAW - Business Benchmarks on Animal Welfare 	<ul style="list-style-type: none"> <input type="checkbox"/> ICGN – International Corporate Governance Network x Other (please specify) Extractive Industries Transparency Initiative (EITI) x ACGA – Asian Corporate Governance Association

Source: Janus Henderson Investors as at 30 June 2019

2.7. What is the total number of SRI assets under the company's management?

The assets under management for the Janus Henderson SRI Equity Funds are \$1.8bn as of the 31st March 2020.

3. General information about the SRI fund(s) that come under the scope of the Code

3.1. What is (are) the fund(s) aiming to achieve by integrating ESG factors?

We believe there is a strong link between sustainable development, innovation and long-term compounding growth.

Our investment framework seeks to invest in companies that have a positive impact on the environment and society, while at the same time helping us stay on the right side of disruption.

We believe this approach will provide clients with a persistent alpha source, deliver future compound growth, and better capital preservation.

The team aims to provide capital growth by investing primarily in global equities. The strategy seeks to invest in global companies whose products and services are considered by the Investment Managers as contributing to positive environmental or social change and thereby have an impact on the development of a sustainable global economy. The strategy avoids investing in companies that the Investment Manager considers to potentially have a negative impact on the development of a sustainable global economy. The Fund employs an integrated approach to sustainable and responsible investment (SRI), combining positive and negative investment criteria as well as integrating environmental, social and governance factors into the bottom-up, fundamental company analysis.

The strategy seeks to invest in businesses that exhibit sustainable revenue growth by virtue of having products or services that enable positive environmental or social change, and thereby have an impact on the development of a sustainable global economy. It is a low carbon strategy.

3.2. What internal or external resources are used for ESG evaluation of the issuers who make up the investment universe of the fund(s)?

Internal research resources

There are two fund managers working on the ESG evaluation as part of their investment decisions and a dedicated Sustainability Analyst. In addition, Janus Henderson has a Governance & Responsible Investment (GRI) team which consists of four full time employees who manage, implement and integrate responsible investment policies and processes. The GRI team provides advice, guidance and insight across a range of these issues which affect existing and potential fund investments (please refer to section 2.5 for full biographies).

External research resources

Vigeo EIRIS is the main source of management for the Funds' exclusion criteria. Vigeo EIRIS is one of the largest sustainable, responsible and ethical research companies globally. The Vigeo EIRIS research team covers over 8,000 companies and provides the managers with detailed reports into a company's activities, to ensure adherence to the Fund's strict ethical criteria. Should an investment idea not be covered already, then Vigeo EIRIS conduct bespoke research on behalf of the portfolio managers.

Janus Henderson also subscribes to a wide range of specialist ESG research which is made directly available to fund managers and is integrated into our investment and risk management processes. Other sources of external research are:

- ISS - <https://www.issgovernance.com/>
- Sustainalytics - <https://www.sustainalytics.com/>
- RepRisk - <https://www.reprisk.com/>
- CDP - <https://www.cdp.net/en>
- Stock broker research
- Strategist research

External resources such as Sustainalytics and ISS are used to populate the team's monthly ESG exposure, benchmarking and risk monitoring report. This report shows the exposure of the portfolio to companies' rated highest risk for environmental & social performance, ESG controversies, corporate governance issues and carbon exposure relative to the fund's benchmark. These companies are then reviewed as part of the investment risk oversight process.

3.3. What ESG criteria are taken into account by the fund(s)?











There are four pillars to our sustainable investment process, which incorporates both positive and negative selection criteria and includes product and operational impact analysis. It is through this rigorous stock selection process that the investment managers add value for their clients.

The four pillars:

1. **Ten Sustainable Development Investment Themes:** These guide our idea generation. We target investment in companies with goods and services that are beneficial to the development of a sustainable global economy; companies that are making a positive contribution to societal need without damaging our 'natural capital'.
2. **Do no Harm Avoidance criteria:** We clearly avoid allocating capital to companies with goods, services and business practices that contribute to environmental and social harm.
3. **Fundamental Research:** This incorporates analysis of environmental and social factors relevant to a company's operations or business practices. We target investment in companies that demonstrate good management of the environmental and social risks inherent to their business, while also contributing positively through their business practices and management.
4. **Active Construction & Risk Management:** As active investors, we engage with the management teams of the companies we invest in, aiming to encourage improved performance on environmental and social issues.



The defining investment issue of our time will be transitioning to a low-carbon and sustainable economy, while maintaining the levels of productivity necessary to deliver the goods and services that an ageing and growing population requires. Idea generation is derived from core megatrends that we believe are pressuring the global economy: population growth, aging populations, resource constraints and climate change. Derived from these four megatrends, we identify ten environmental and social sustainable development themes. For every investment, we identify at least one theme operating as a value driver to the business.

Environmental themes	Social themes
 Efficiency	 Sustainable property & finance
 Cleaner energy	 Safety
 Water management	 Quality of life
 Environmental services	 Knowledge & technology
 Sustainable transport	 Health

Often there are conflicts between environmental and social sustainability and our approach seeks to address this by using both positive and negative (avoidance) investment criteria, considering both the products and

operations of a business. Company engagement and active portfolio management are essential features of any true sustainable investment strategy.

We seek to avoid those businesses involved in activities contrary to the development of a sustainable economy. We believe these types of businesses are at higher risk from government regulation or disruption. All holdings in the fund are compliant with the UN Global Compact, whose Ten Principles cover human rights, the International Labour Organisation's declaration on workers' rights, corruption and environmental pollution².

Important Information: De minimis limits

Where possible we will seek to achieve zero exposure in respect of the avoidance criteria. However, there may be instances when we will apply a *de minimis* limit. A *de minimis* limit is a threshold above which investment will not be made, and relates to the scope of a company's business activity; the limit may be quantitative (e.g. expressed as a percentage of a company's revenues), or may involve a more qualitative assessment. *De minimis* limits exist because sometimes avoiding and industry entirely may not be feasible given the complex nature of business operations.

In such instances we will invest in a company only if we are satisfied that the 'avoided' activity forms a small part of the company's business, and when our research shows that the company manages the activity in line with best practice.

When the activity relates to a company's revenues we use a 5% threshold, unless otherwise stated. When the activity relates to a company's operations, we will seek to gain comfort that the company is taking action to improve its performance, or is managing it in an exemplary fashion. Any company with a persistent record of misconduct will be excluded unless there is clear evidence of significant progress

We seek to avoid businesses that have products or operations directly associated with the following criteria:

Alcohol: We avoid companies involved in the production or sale of alcoholic drinks.

Animal testing: We avoid companies that manufacture pharmaceuticals, medicines, vitamins, cosmetics, soaps, or toiletries unless they make it clear that their products and ingredients are not animal tested.

Animal testing (Horizon): We avoid companies that use animal testing for non-medical purposes. We allow animal testing for medical purposes only where the company employs best practices in accordance with the 3Rs policy of refinement, reduction and replacement.

Armaments: We avoid companies involved in the direct production of weapons. We will not invest in companies involved in the direct production of land mines, cluster munitions, biological/chemical weapons, and nuclear weapons.

Chemicals of concern: We avoid companies which manufacture or sell chemicals or products containing chemicals, subject to bans or severe restrictions in major markets around the world. This includes ozone depleting substances, micro beads, persistent organic pollutants, and the manufacture of any other substances banned or restricted under international conventions.

Contentious industries: We avoid companies that generate high carbon emissions or exploit non-renewable resources, either directly or in their supply chain, unless the company can demonstrate an outstandingly positive response towards environmental and social concerns. Our definition of contentious industries includes cement, fishing, mining, palm oil, and timber.

² The UN Global Compact's Ten Principles are derived from the : Universal Declaration of Human Rights at Work, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. For further information please visit <https://www.unglobalcompact.org/what-is-gc/mission/principles>. All information correct as at 30 June 2018.

Fossil fuel extraction & refining: We avoid companies engaged in the extraction and refining of coal, oil, and gas.

Fossil fuel power generation: We avoid companies engaged in fossil fuel power generation. Investment in companies generating power from natural gas may be allowed in cases where the company's strategy involves a transition to renewable energy power generation.

Fur: We avoid companies involved in the sale or manufacture of animal fur products.

Gambling: We avoid companies with activity related to gambling.

Genetic engineering: We avoid companies involved in the deliberate release of genetically modified organisms (e.g. animals or plants). Investment in companies where genetic technologies are used for medical or industrial applications may be acceptable providing high environmental and social standards can be demonstrated. Companies that use or sell products that make use of such technologies may be acceptable provided genetically modified organisms (GMO) ingredients are clearly labelled.

Intensive farming: We avoid companies involved in intensive farming operations.

Meat & dairy production: We avoid any companies involved in the production or processing of meat/poultry or dairy products or eggs, or whose primary activity involves their sale.

Nuclear power: We avoid companies that are involved in the uranium fuel cycle, treat radioactive waste, or supply specialist nuclear related equipment or services for constructing or running nuclear plant or facilities.

Pornography: We avoid companies that publish, print or distribute newspapers or magazines or distribute films or videos classed as pornographic material.

Tobacco: We avoid companies that engage in activities related to the production or sale of tobacco products.

Further details on the strategy can be found on the company's website:
<https://www.janushenderson.com>

3.4. What principles and criteria linked to climate change are taken into account in the fund(s)?³

The strategy has a low carbon approach. We have explicit exclusion criteria in relation to carbon intense industries including fossil fuel extraction, fossil fuel power generation and contentious industries with high carbon emissions and severe environmental impacts.

The strategy also has positive criteria which target companies with goods or services that mitigate or reduce the progression and effects of climate change. Examples include Cleaner Energy, Sustainable Transport, Water Management, Environmental Services, & Efficiency.

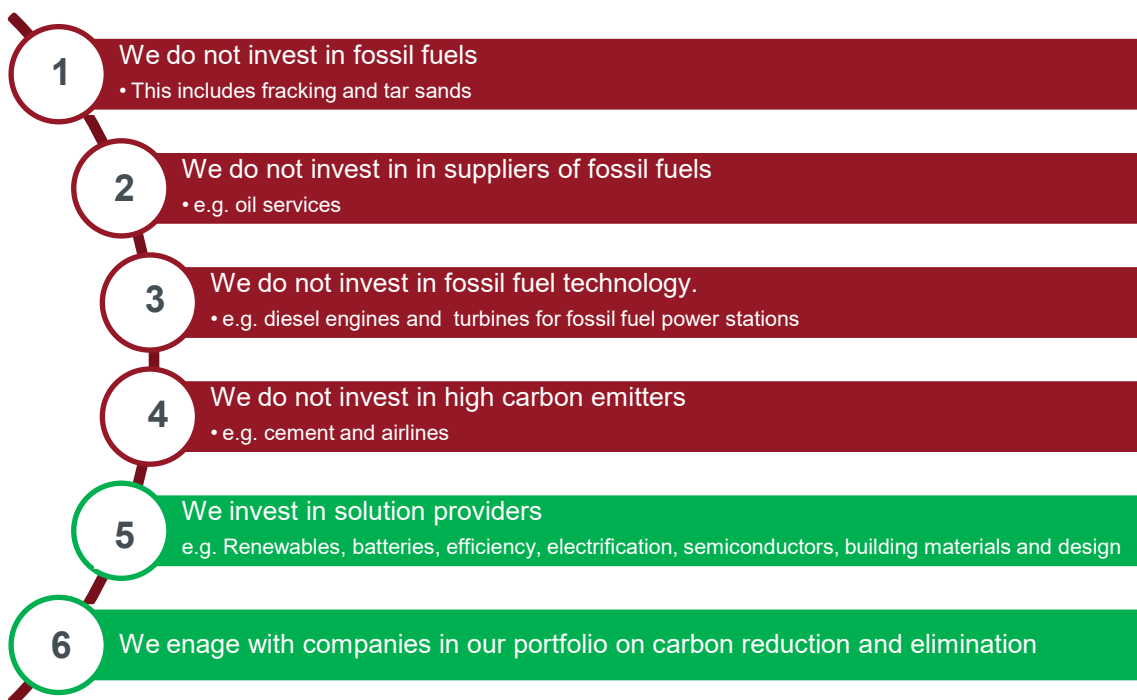
The ten sustainability themes are derived from these and provide a framework for idea generation with many of them focused on reducing the effects and managing the consequences of climate change.

Our Low Carbon Approach

We believe avoidance (negative) criteria are an essential part to a sustainability driven investment strategy. A distinguishing feature of our strategy is our low carbon approach. Low carbon investing involves much more than simply avoiding investment in fossil fuels. There are many industries which will be disrupted as we go through the low carbon energy transition. Similarly investing in clean technology is much more than simply investing in wind and solar. There are many different types of companies providing a diverse range of technologies and solutions across the power, electrical, transportation, and infrastructure and real estate sectors.

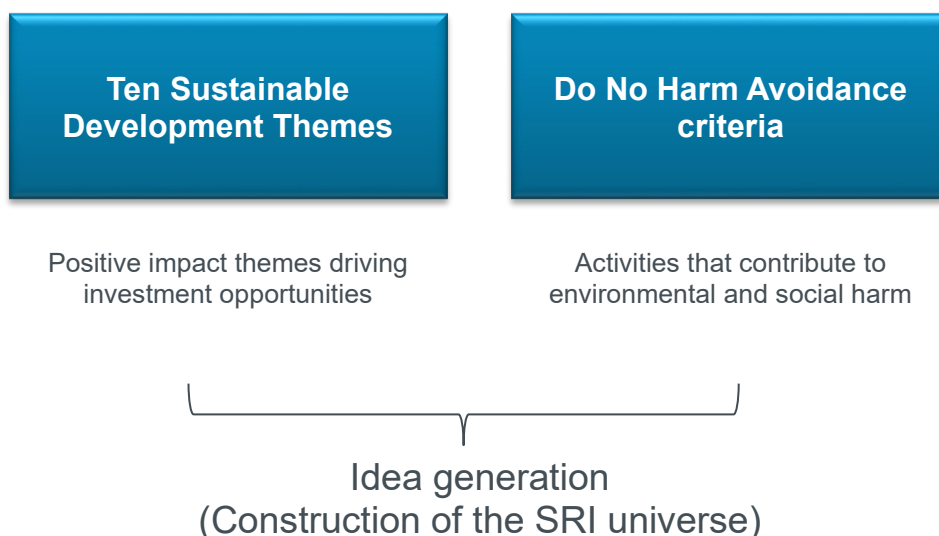
There are multiple levels to our low carbon investment approach:

³ Reference to Article 173 of the French TECV Act see paragraphs 3 and 4 of Article D.533-16-1 of Chapter III of the French Legal Code); <https://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000006072026&idArticle=LEGIARTI000031793697>



3.5. What is the ESG analysis and evaluation methodology of the fund manager/fund management company (how is the investment universe built, what rating scale is used etc.)?

We simultaneously, apply the Environmental and Social themes, and the Environmental and Social Avoidance criteria, to create our universe. This screening results in approximately 1000 companies making up our SRI Universe.



Ideas generation & exclusion criteria

The strategy has ten sustainability themes of which five are environmental and five are social. For every investment it must be possible to identify at least one of the following themes as a value driver to the business.

Five environmental themes:

Cleaner Energy, Sustainable Transport, Water Management, Environmental Services, Efficiency

Five social themes:

Health, Sustainable Property & Finance, Knowledge & Technology, Safety, Quality of Life

Every stock fits into a theme but, for the purposes of portfolio construction, there is no forced distribution of themes. Portfolio construction is driven by stock selection, with each stock being assessed within a rigorous analytical framework.

The managers maintain a large database of companies connected to the themes. This is continuously refreshed using a variety of sources including internal and external research and company engagement.

Janus Henderson has appointed a specialist company, VigeoEIRIS, to provide the negative screening of potential investments. The VigeoEIRIS research team covers over 3,000 companies and provides detailed reports into a company's activities. Should an investment idea not be covered already, the managers can request a bespoke research report.

Fundamental research and ESG analysis

Once an investment idea is generated and has passed the avoidance criteria the investment team carries out fundamental analysis of the company. This incorporates a qualitative assessment of the company's strategic position, combined with a quantitative financial model. ESG considerations are fully integrated into this assessment. Companies assessed for inclusion in the portfolio must demonstrate acceptable management of long-term strategic risks and opportunities.

ESG analysis of the companies' operations is incorporated into fundamental analysis performed by the managers before an investment decision is made.

The investment universe is not screened using ESG ratings from third party providers. The managers have access to 3rd party ESG research which they incorporate into their fundamental investment analysis when considering a potential investment. The managers form an independent view of the investment risks arising from material ESG considerations.

The managers use a variety of resources to conduct the ESG analysis. These include research from Sustainalytics, RepRisk, CDP, and ISS. The managers also work closely with Janus Henderson's Governance and Responsible Investment (GRI) team. This team provides advice and analysis on a range of ESG issues affecting existing and potential investments for all of Janus Henderson's investment teams.

The GRI team and the managers are able to examine data that flags controversies in five areas – Environment, Governance, Human Rights, Labour Rights, and Customers. The GRI team also assists with actively engaging company management on ESG issues and reports on all of Janus Henderson's voting actions at corporate meetings.

Based on the research and analysis stage of the process, the managers decide whether the stock should be included in the portfolio. The portfolio typically consists of 50-70 stocks, and is managed to ensure effective diversification across regions.

3.6. How often is the ESG evaluation of the issuers reviewed? How are any controversies managed?

The ESG evaluation of the issuers is regularly reviewed using a combination of alerts, monthly reports, monthly meetings, and follow ups with the companies we invest in. We use systems such as Vigeo EIRIS, RepRisk and Sustainalytics to alert us to controversies arising within companies. In addition to this, we run a monthly ESG report which collates Sustainalytics ESG risk ratings, Sustainalytics Controversy ratings, ISS Governance scores and ISS carbon data into a single report for each fund. The report is then discussed at a monthly meeting held between the SRI team and the GRI team. We also manage controversies with company follow up meetings where we raise concerns and seek clarity on the scale, scope and redress of the controversy.

Based on the evidence and the result of engagement possible divestment from the company is also discussed at a monthly meeting held between the SRI team and the GRI team. Where a breach is identified, and we must divest, we aim to have exited that position within three months.

4. Investment process

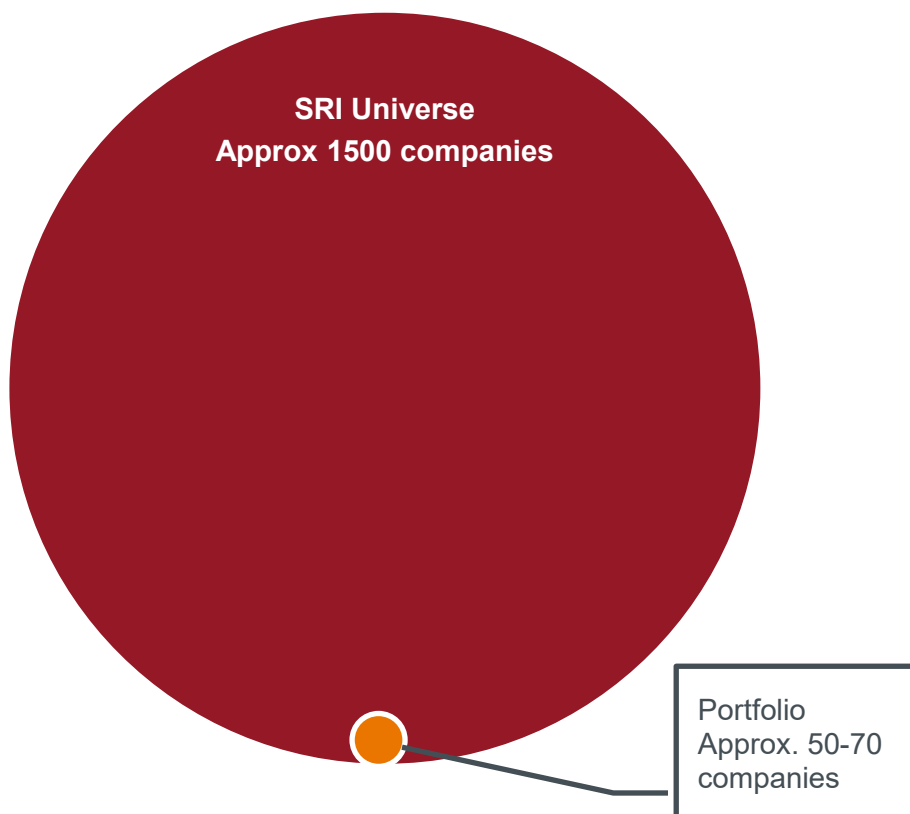
4.1. How are the results of the ESG research integrated into portfolio construction?

Environmental and Social research initially relates to the products/services of a company. The strategy seeks to invest in companies which have products/services that have beneficial environmental or social characteristics, as defined by the ten environmental and social sustainability themes that represent the strategy's positive selection criteria. The strategy also avoids investing in companies which have products/services that have negative environmental or social characteristics, as defined by the avoidance criteria. The positive and negative selection criteria apply to 100% of the investment portfolio (please refer to sections 3.3 and 4.2 for how we apply these).

We simultaneously, apply the Environmental and Social themes, and the Environmental and Social Avoidance criteria, to create our universe. This screening results in approximately 1500 companies making up our SRI Universe.

All companies assessed for inclusion in the strategy must demonstrate acceptable management of their corporate responsibility (CR). An ESG analysis focused on operations of a company is performed on every potential investment. Operational ESG analysis is both qualitative and quantitative in nature. The managers use a combination of their own work, direct contact with the company, input from the GRI team and 3rd party research to form an independent view of the investment risks arising from material ESG considerations. There are no additional thresholds beyond those documented in the 'Investment Principles'.

Once the SRI universe has been defined the team follows a disciplined bottom up investment process to construct the portfolio. This investment process incorporates fundamental research, engagement & voting, and portfolio construction and risk control.



To address ongoing ESG risks and as part of Janus Henderson’s formal risk oversight process, all portfolios are subject to regular review of exposure to ESG risks using Sustainalytics and ISS data. The GRI team produce an ESG risk report which incorporates data from these providers.

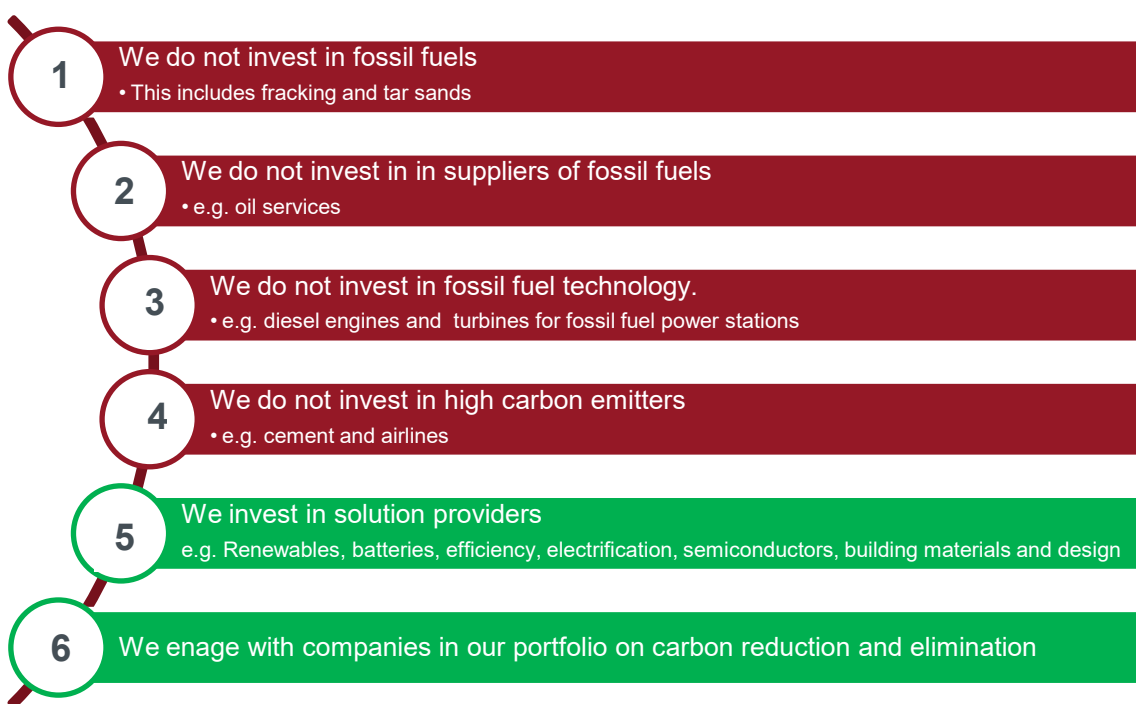
4.2. How are criteria specific to climate change integrated into portfolio construction?⁴

The strategy has positive criteria which target companies with goods or services that mitigate or reduce the progression and effects of climate change. The themes include Cleaner Energy, Sustainable Transport, Water Management, Environmental Services and Efficiency all of which contribute to the progression of a low carbon, sustainable economy. We must allocate each investment into at least one of these themes. In doing so, we ensure that our investments are aligned with a sustainable future. In addition to the positive themes in which we invest, we enforce a negative exclusion criterion which ensures that we steer clear of companies that do harm to the planet and halter to progress of a sustainable economy. This exclusion criteria is outlined in section 3.3.

Our Low Carbon Approach

We believe avoidance (negative) criteria are an essential part to a sustainability driven investment strategy. A distinguishing feature of our strategy is our low carbon approach. Low carbon investing involves much more than simply avoiding investment in fossil fuels. There are many industries which will be disrupted as we go through the low carbon energy transition. Similarly investing in clean technology is much more than simply investing in wind and solar. There are many different types of companies providing a diverse range of technologies and solutions across the power, electrical, transportation, and infrastructure and real estate sectors.

There are multiple levels to our low carbon investment approach:



We seek to avoid those businesses involved in activities contrary to the development of a sustainable economy. We believe these types of businesses are at higher risk from government regulation or disruption.

⁴ Reference to Article 173 of the French TECV Act and HLEG recommendations on DISCLOSURE

All holdings in the strategy are compliant with the UN Global Compact, whose Ten Principles cover human rights, the International Labour Organisation's declaration on workers' rights, corruption and environmental pollution⁵.

Our strategy incorporates climate-related risk (transition risk and physical risk) into the ESG analysis for every company in our investment portfolio. We consider transitional, physical, and regulatory risks and opportunities associated with the company, and then seek to engage on potential improvement points.

The strategy has a target of ensuring that the companies within its investment portfolio are either already carbon neutral or will be by 2030 (see Engagement section for more information). We believe that only an active management solution can deliver a truly low carbon portfolio and, at the same time, specifically target investment in companies playing a positive role in the transition to a low carbon economy.

We use a variety of metrics and tools to manage and monitor our alignment with the 2°C scenario mentioned within the Paris Agreement. We will be discussing the following metrics based on the investment portfolio as of 31 December 2019:

- Carbon Footprint
- Scenario Analysis
- 2Dii PACTA Model
- Stress Testing

4.3. How are the issuers that are present in the portfolio, but not subject to ESG analysis evaluated (not including mutual funds)?⁶

Not applicable. The holdings in the funds under review are subject to ESG analysis.

4.4. Has the ESG evaluation or investment process changed in the last 12 months?

There have been no major changes to the ESG evaluation or investment process within the last 12 months.

4.5. Is a part of the fund(s) invested in entities pursuing strong social goals/social enterprises?

The Global Sustainable Equity Strategy seeks to invest in businesses that are strategically aligned with the powerful environmental and social trends changing the shape of the global economy. We believe these businesses should exhibit capital growth by virtue of having products or services that enable positive environmental or social change, and thereby have an impact on the development of a sustainable global economy.

4.6. Does (do) the fund(s) engage in securities lending activities?

No.

4.7. Does (do) the fund(s) use derivative instruments?

The strategy may deal through derivatives markets mentioned in its prospectus. However, the strategy has never used derivative instruments, and has no intention to do so within the next twelve months.

4.8. Does (do) the fund(s) invest in mutual funds?

No.

⁵ The UN Global Compact's Ten Principles are derived from the : Universal Declaration of Human Rights at Work, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. For further information please visit <https://www.unglobalcompact.org/what-is-gc/mission/principles>. All information correct as at 30 June 2018.

⁶ Reference to Article 173 of the French TECV Act and the TCFD recommendations (delivering on investor and stakeholder demands for climate-related information)

5. ESG controls

5.1. What internal and/or external control mechanisms are in place to ensure compliance of the portfolio with the ESG rules on managing the fund(s) as defined in section 4?⁷

The Global Sustainable Equity Strategy uses the following control mechanisms to ensure compliance of the portfolio with the ESG rules:

1. Third party data
2. The Ethical Oversight Committee
3. Regular ESG meetings

Janus Henderson's Ethical Oversight Committee oversees the development, management and implementation of the avoidance criteria. Its responsibilities are to:

Approve the appointment of an external research provider to advise the investment managers on compliance with the avoidance criteria for the strategy.

Review any holding within the strategy that does not comply with the advice on the exclusion criteria offered by the external research provider.

Approve any changes to the avoidance criteria and the *de minimis* thresholds.

The committee is chaired by the Head of Governance and Responsible Investment and also comprises a member of the Investment Risk team and a Portfolio Manager from a separate team.

All trades in listed securities are routed through the Charles River Development trading system (CRD) and are monitored by Compliance on a daily basis.

The CRD system has the capability of implementing pre, post and batch alerts as well as warnings. Where possible, all coding relating to regulatory, mandatory or strategy manager specific rules are coded by the CRD Risk team with oversight from Compliance.

Any pre-alerts generated can only be cleared by Compliance personnel. Any narratives or investigation performed are documented within CRD and stored for audit purposes.

Warnings are soft limits, which can be cleared by either the strategy managers or Compliance. Batch alerts are generated overnight and are investigated by Compliance on a daily basis.

When a restriction cannot be coded in CRD, it is added to a monthly Compliance sign off where the strategy manager will certify that the strategy has been compliant throughout the time period specified.

Compliance with the strategy's exclusion criteria and exposure to ESG risks is also monitored using Janus Henderson's risk management process through regular meeting with members of the Risk Team and the Chief Risk Officer

⁷ Reference to Article 173 of the French TECV Act

6. Impact measures and ESG reporting

6.1. How is the ESG quality of the fund(s) assessed?

Bespoke ESG risk reports developed by the GRI team and the Investment Risk team are generated to both identify those companies that stand out in terms of ESG, Controversy and Carbon risk, as well as compare the whole portfolio's performance against the respective benchmark. It is this internal examination of the degree of under or outperformance of the benchmark that is the closest proxy to an overall ESG score. Within this report, Sustainalytics data serves to highlight potential ESG and Controversy issues to fund managers, ISS governance scores as a proxy for governance, and ISS carbon data. Where poor scores are found, underlying research is first provided to the fund manager for deeper assessment as to the materiality of the issues driving the scores.

6.2. What ESG indicators are used by the fund(s)?⁸

Our assessment of corporate ESG indicators involves both qualitative and quantitative inputs. These indicators are listed below:

- Environmental risk
- Social risk
- Governance risk
- Controversies Risk

An annual sustainability report is published, which provides information about our chosen KPIs, with detailed explanations of each KPI, our research methodology and sources. This is can be requested by contacting sales.support@janushenderson.com

6.3. What communication resources are used to provide investors with information about the SRI management of the fund(s)?

Information about the ESG criteria taken into account in the strategy can be found on the Janus Henderson website. We also publish a quarterly report detailing holdings with a positive environmental and/or social impact. This can be requested by contacting sales.support@janushenderson.com

6.4. Does the fund management company publish the results of its voting and engagement policies?⁹

A quarterly report detailing corporate engagement and proxy voting published. This is can be requested by contacting sales.support@janushenderson.com

⁸ Reference to Article 173 of the French TECV Act

⁹ Reference to Article 173 of the French TECV Act and the HLEG recommendations on GOVERNANCE

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What are the risks specific to this strategy?

- This fund is designed to be used only as one component in several, in a diversified investment portfolio. Investors should consider carefully the proportion of their portfolio invested into this strategy.
- Investment management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.
- The Strategy could lose money if a counterparty with which it trades becomes unwilling or unable to meet its obligations to the Strategy.
- Shares can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result.
- Any security could become hard to value or to sell at a desired time and price, increasing the risk of investment losses.
- Derivatives use exposes the Strategy to risks different from, and potentially greater than, the risks associated with investing directly in securities and may therefore result in additional loss, which could be significantly greater than the cost of the derivative.
- Changes in currency exchange rates may cause the value of your investment and any income from it to rise or fall.
- If the Funds or a specific share class of the Funds seeks to reduce risks (such as exchange rate movements), the measures designed to do so may be ineffective, unavailable or detrimental.

General risks

- Past performance is not a guide to future performance.
- The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.
- Tax assumptions and reliefs depend upon an investor's circumstances and may be subject to change.

For further information please visit our website at www.janushenderson.com

Important information

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