

# HENDERSON INTERNATIONAL INCOME TRUST PLC

## Investment approach and ESG engagement

Janus Henderson seeks to understand how investee companies are managing ESG risks, including climate change, through their policies and processes and where their investments are targeted to evolve their business models to remain sustainable over the long term. Janus Henderson engages actively with companies and their management teams and uses a variety of sources to help identify and monitor material ESG risks, including research from their fund managers and analysts, input from the Janus Henderson Governance and Responsible Investment team and third-party data providers.

The investment team uses this information to help identify companies that are actively improving their ESG profiles. Companies with weaker ESG risk profiles are not automatically excluded from the portfolio provided they are making progress in mitigating these risks. These companies can be good investments if they can address the ESG issues they face. Whilst companies with weaker ESG profiles are not automatically excluded from the portfolio, the team does avoid or disinvest from companies where the ESG risk is material and where the company is not willing or able to mitigate these risks, and hence remains on a deteriorating trajectory.

## Responsible investment

The board believes that voting at general meetings is an important aspect of corporate stewardship and a means of signalling shareholder views on board policy, practices and performance. The board has chosen to delegate the responsibility to Janus Henderson Investors ('the Manager') for voting the rights attached to the shares in the Company's portfolio and the Manager actively votes at shareholder meetings and engages with companies as part of the voting process.

Voting decisions are guided by the best interests of the Company's shareholders and made in consultation with the fund manager, who has an in-depth understanding of the respective company's operations. Voting decisions are taken in keeping with the provisions of the manager's ESG Investment Principles, which set out the manager's approach to corporate governance, corporate responsibility and compliance with the Stewardship Code. To retain oversight of the process, the directors regularly receive reports on how the manager has voted the shares held in the Company's portfolio, and they review the Manager's Environmental, Social and Governance ("ESG") Investment Principles at least annually.

## Additional information

Information on the Company's approach to ESG can be found in the latest annual report: <https://cdn.janushenderson.com/webdocs/HINT+annual+report+2020.pdf>

The manager's ESG Principles are available here: <https://www.janushenderson.com/en-gb/adviser/environmental-social-governance-principles/>

The Company's appointed investment manager:

- supports the Stewardship Code: <https://www.frc.org.uk/investors/uk-stewardship-code>
- and is a signatory of the Principles for Responsible Investment: <https://www.unpri.org/>