

# STEWARDSHIP POLICY STATEMENT

April 2022

Contents

Policy..... 1

Conflicts of Interest ..... 1

Company Monitoring ..... 2

Escalation..... 2

Collective Engagement ..... 3

Voting ..... 3

### Policy

This policy applies to all Janus Henderson European, Middle East, African and Asia-Pacific entities. It does not apply to sub-delegated portfolio managers, such as the strategies managed by Kapstream Capital Pty Limited (“Kapstream”).

Janus Henderson is committed to the principles of good stewardship. Stewardship is a natural part of our approach to investment management, and a key element of how we discharge our responsibility towards clients as we seek to protect and enhance value in the companies we invest in on their behalf.

Portfolio managers and analysts are primarily responsible for monitoring investee companies, and they meet regularly with company management. Frequent topics of discussion at these meetings include corporate strategy, business planning and delivery of objectives, capital structure, proposed acquisitions or disposals, as well as specific corporate governance and corporate responsibility issues where relevant.

We take an active approach to communicating our views to companies and to escalating our engagement activities where necessary to protect and enhance shareholder value. This includes acting collectively with other investors where we believe this approach is more effective.

We actively vote at shareholder meetings and engage with companies as part of the voting process. Key voting decisions are made by portfolio managers, with support provided by in-house corporate governance specialists.

Environmental, Social and Governance (ESG) considerations are a key component of the investment processes employed by our active investment teams. These teams, spanning equities, fixed income and multi-asset, operate and are structured in ways that are suited to their respective asset classes. This means that ESG considerations are embedded in ways that are appropriate to the areas of the market in which the teams invest. They apply their differentiated perspectives, insight and experience to identify sustainable business practices that can generate long-term value to investors.

Alongside this policy Janus Henderson has an ESG Corporate Statement, ESG Investment Principles, Proxy Voting Policy & Procedures document, Impact Report and an ESG Company Engagement & Voting Review.

Further information, including these documents, is available at [www.janushenderson.com](http://www.janushenderson.com).

### Conflicts of Interest

Janus Henderson has a Conflicts of Interest Policy, the objective of which is to ensure that conflicts of interest, both potential and actual, across the Janus Henderson Group are identified, recorded and managed appropriately and, where necessary and appropriate, disclosed in order to ensure fair treatment of clients. The Ethics and Conflicts of Interest Committee, which is a sub-committee of the Audit Committee of Janus Henderson Group, is responsible for reviewing and overseeing the Group’s arrangements for identifying and managing conflicts of interest and ensuring the best interests of its clients are considered at all times.

Janus Henderson also has a Proxy Voting Committee, which is responsible for developing Janus Henderson’s positions on major voting issues, creating guidelines and overseeing the voting process. The Committee is comprised of representatives of investment accounting, compliance, portfolio management and governance and responsible investment. Additionally, the Proxy Voting Committee is responsible for monitoring and resolving possible conflicts of interest with respect to proxy voting.

Janus Henderson’s conflicts of interest policy is available upon request.

### Company Monitoring

Janus Henderson's investment teams are completely autonomous in terms of applying their investment philosophy and process while benefiting from a common pool of resources. As such, there is no top-down house view and teams are structured to maximise opportunities within their respective investment universes.

Portfolio managers and analysts spend a considerable amount of their time monitoring the performance of investee companies. A wide variety of sources of information are utilised including company meetings, company reporting, broker research, industry reports and in-house research. In addition, portfolio managers have access to specialist research covering corporate governance and corporate responsibility issues, as well as the in-house Governance and Stewardship team.

The analysis of ESG factors is an integral component across Janus Henderson's investment capabilities that utilise a fundamental research process to evaluate corporate equity and debt securities. It is our goal as a steward of client assets to understand all aspects of what can impact a security's investment returns. Blending quantitative financial analysis with a qualitative evaluation, including any potential impact from ESG factors, helps our investment teams make a more informed assessment of the intrinsic value of a security.

The primary route for company engagement on stewardship-related issues is the regular meetings portfolio managers have with the companies in which they invest. Janus Henderson's portfolio managers hold thousands of company meetings each year. Meetings incorporate a wide range of topics including strategy, capital allocation, company performance, risk, management succession, board composition, and also environmental and social issues where relevant. Investment teams are supported by our in-house Governance and Stewardship Team. Meetings are recorded on internal research platforms.

Analysis is shared on internal research platforms and frequent discussion takes place between our Governance and Stewardship Team, analysts and portfolio managers. We keep electronic records of our engagement, voting and other corporate governance and corporate responsibility activities, including the rationale for voting decisions.

On occasion and where appropriate Janus Henderson's company engagement work may lead to us becoming an insider. This is most likely to be in relation to specific corporate actions but may also take place as part of the escalation of our engagement work. A decision to become an insider is made on a case-by-case basis by the relevant portfolio manager. Where Janus Henderson has become an insider, the company is added to the list of embargoed companies. This prevents portfolio managers buying or selling shares in the company for the portfolios they manage. Furthermore, this prevents all staff from trading in the company on their personal account.

### Escalation

We take an active approach to communicating our views to companies and seeking improvements where we believe there are shortcomings in performance, or a company has failed to apply appropriate standards, or to provide adequate disclosure. We will continue our dialogue with the company over an extended period if necessary. Common issues on which we have intervened in the past include concerns over executive or non-executive leadership, mergers & acquisitions, corporate governance standards, disclosures and remuneration practices. Any decision to intervene is made on a case-by-case basis.

Escalation of our engagement activities will depend upon the company's individual circumstances and the nature of our shareholding. In most instances, engagement would begin with the executive management team. Where we are unable to resolve issues to our satisfaction the likely next step in escalation would be to address concerns directly to the Chairperson or Senior Independent Director. Where direct company engagement proves unsatisfactory or impractical, we may pursue other actions such as communication through the company's brokers, joint intervention with other shareholders or voting against board proposals.

Ultimately, company engagement is considered part of each investment process and investment teams review the outcomes and effectiveness of intervention as part of their own system for reviewing investment processes and performance.

### Collective Engagement

We recognise that in some instances joint action by shareholders has the potential to be more effective than acting alone. This is especially so where shareholders have a clear common interest, such as in times of corporate distress. Janus Henderson proactively collaborates with other investors on governance and wider environmental and social engagement issues, directly and through industry bodies.

We review all proposals for collective engagement initiatives on a case-by-case basis. Alongside our usual criteria based on the size of our shareholding, the materiality of the issues and our ability to influence, the core criteria for collective engagement are the alignment of interests of participants and the potential for collaborative action to be more effective than acting alone.

Janus Henderson is an active participant in a range of organisations that facilitate collaborative engagement, including the Investment Association, the Investor Forum, the UNPRI Clearinghouse and the Asian Corporate Governance Association. The primary contact in relation to collective engagement is Antony Marsden, Head of Governance and Stewardship ([corpgov@janushenderson.com](mailto:corpgov@janushenderson.com)).

### Voting

Janus Henderson exercises the voting rights on behalf of clients at meetings of all companies in which we have a holding. The only exception to this is meetings where share blocking or other restrictions on voting are in place.

To assist us in assessing the corporate governance of investee companies we subscribe to ISS (an independent proxy voting adviser). ISS provides voting recommendations based upon Janus Henderson's corporate governance policies.

While we prefer that companies adhere to the principles and provisions of the relevant national code of best practice, we recognise that a different approach may be justified in certain circumstances. In such cases, the onus is on the company to provide us with sufficient information to enable us to take an informed view. As an active manager our preference is to engage with management and boards to resolve issues of concern rather than to vote against shareholder meeting proposals. In our experience this approach is more likely to be effective in influencing company behaviour. We therefore actively seek to engage with companies throughout the year and in the build up to the annual shareholder meeting to discuss any potentially controversial agenda items. However, where we believe proposals are not in shareholder interests, or where engagement proves unsuccessful, we will vote against.

Key voting decisions are made by portfolio managers, with support provided by in-house corporate governance specialists. Our voting decisions are implemented electronically via the ISS ProxyExchange voting platform.

Stock lending makes an important contribution to market liquidity and provides additional investment returns for our clients. However, stock lending also has important implications for corporate governance policy as voting rights are transferred with any stock that is lent. We maintain the right to recall lent stock across all our funds under management for voting purposes. All decisions to recall stock are made by the relevant portfolio manager.

Our ESG Company Engagement & Voting Review can be found within the ESG section of 'About us' at: [www.janushenderson.com](http://www.janushenderson.com).

### Important information

The views presented are as of the date published. They are for information purposes only and should not be used or construed as investment, legal or tax advice or as an offer to sell, a solicitation of an offer to buy, or a recommendation to buy, sell or hold any security, investment strategy or market sector. Nothing in this material shall be deemed to be a direct or indirect provision of investment management services specific to any client requirements. Opinions and examples are meant as an illustration of broader themes, are not an indication of trading intent, are subject to change and may not reflect the views of others in the organization. It is not intended to indicate or imply that any illustration/example mentioned is now or was ever held in any portfolio. No forecasts can be guaranteed and there is no guarantee that the information supplied is complete or timely, nor are there any warranties with regard to the results obtained from its use. Janus Henderson Investors is the source of data unless otherwise indicated, and has reasonable belief to rely on information and data sourced from third parties. **Past performance does not predict future returns. Investing involves risk, including the possible loss of principal and fluctuation of value.**

Not all products or services are available in all jurisdictions. This material or information contained in it may be restricted by law, may not be reproduced or referred to without express written permission or used in any jurisdiction or circumstance in which its use would be unlawful. Janus Henderson is not responsible for any unlawful distribution of this material to any third parties, in whole or in part. The contents of this material have not been approved or endorsed by any regulatory agency.

Janus Henderson Investors is the name under which investment products and services are provided by the entities identified in the following jurisdictions: (a) **Europe** by Janus Henderson Investors International Limited (reg no. 3594615), Janus Henderson Investors UK Limited (reg. no. 906355), Janus Henderson Fund Management UK Limited (reg. no. 2678531), Henderson Equity Partners Limited (reg. no.2606646), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority) and Henderson Management S.A. (reg no. B22848 at 2 Rue de Bitbourg, L-1273, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier); (b) **Singapore** by Janus Henderson Investors (Singapore) Limited (Co. registration no. 199700782N). This advertisement or publication has not been reviewed by Monetary Authority of Singapore; (c) **Hong Kong** by Janus Henderson Investors Hong Kong Limited. This material has not been reviewed by the Securities and Futures Commission of Hong Kong; (d) **Taiwan R.O.C** by Janus Henderson Investors Taiwan Limited (independently operated), Suite 45 A-1, Taipei 101 Tower, No. 7, Sec. 5, Xin Yi Road, Taipei (110). Tel: (02) 8101-1001. Approved SICE licence number 023, issued in 2018 by Financial Supervisory Commission; (e) **South Korea** by Janus Henderson Investors (Singapore) Limited only to Qualified Professional Investors (as defined in the Financial Investment Services and Capital Market Act and its sub-regulations); (f) **Japan** by Janus Henderson Investors (Japan) Limited, regulated by Financial Services Agency and registered as a Financial Instruments Firm conducting Investment Management Business, Investment Advisory and Agency Business and Type II Financial Instruments Business; (g) **Australia and New Zealand** by Janus Henderson Investors (Australia) Limited (ABN 47 124 279 518) and its related bodies corporate including Janus Henderson Investors (Australia) Institutional Funds Management Limited (ABN 16 165 119 531, AFSL 444266) and Janus Henderson Investors (Australia) Funds Management Limited (ABN 43 164 177 244, AFSL 444268); (h) the **Middle East** by Janus Henderson Investors International Limited, regulated by the Dubai Financial Services Authority as a Representative Office. No transactions will be concluded in the Middle East and any enquiries should be made to Janus Henderson. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.

**Outside of Australia, Singapore, Taiwan, Hong Kong, Europe and UK:** For use only by institutional, professional, qualified and sophisticated investors, qualified distributors, wholesale investors and wholesale clients as defined by the applicable jurisdiction. Not for public viewing or distribution. Marketing Communication.

Janus Henderson, Janus, Henderson, Knowledge Shared and Knowledge Labs are trademarks of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc.

GC 0422 118431 03-31-2023

Doc ID 200-99-117380 04-22