Q1 2025

GLOBAL RESPONSIBLE MANAGED FUND

ESG Quarterly Voting and Engagement Report

Key quarterly engagement

Summary of ESG engagement

Meetings of interest with companies held by the Janus Henderson Global Responsible Managed Fund during the first quarter of 2025 in terms of environmental, social and governance (ESG) issues are detailed below:

Company name	E	S	G
APi Group			
Humana			
Mastercard			
RS Group			
Severn Trent			

APi Group

Categories: *Environmental, Social and Governance*

We engaged with the industrials service provider APi Group as part of our pre-investment due diligence, focusing on several topics including the UN Global Compact watch list flag for perfluoroalkyl and polyfluoroalkyl substances (PFAS) concerns related to their subsidiary Chubb Fire. We also covered their general safety management practices, the representation of women in the organisation, their carbon emissions, and their involvement in clean technology. APi Group provided comprehensive responses that addressed our concerns. They clarified their limited involvement with PFAS-containing products, detailing their litigation stance and minimal expected liabilities, especially given that Chubb Fire will become a defunct UK entity. APi Group also outlined their safety management practices, particularly their strong commitment to the health and safety of their employees through the 'Striving Toward Excellence and Professionalism in Safety' (STEPS) initiative. Regarding gender diversity, APi Group acknowledged that their current representation of women on the board and across the organisation is low but highlighted there are ongoing efforts to enhance diversity at the company, although without setting a specific public target for female representation. They are also in the initial stages of establishing a robust framework for measuring and reducing carbon emissions, having engaged with energy specialist Schneider Electric for a baseline emissions analysis. In terms of clean technology, APi Group is actively pursuing opportunities that align with their safety services, including involvement in projects like electric vehicle (EV) charging stations and renewable energy. The company also highlighted their minimal revenue exposure to oil and natural gas, which is less than 5%.

Note: 'Key quarterly engagements' refers to a sample of this quarter's engagements.

There is no guarantee that past trends will continue, or forecasts will be realised.

Key quarterly engagement

Humana

Categories: *Social and Governance*

We engaged with Humana on the effectiveness and efficiency of their prior authorization process, which is a tool used in health insurance to ensure that certain medical services or medications are deemed medically necessary and appropriate before they are covered. We also discussed their coding practices, due to implications of "upcoding" which is a method of fraud where health care providers seek more reimbursement from the government than they are entitled to. Additionally, we gained insight into their usage and oversight of Artificial Intelligence (AI) algorithms and their view on regulatory changes which could affect healthcare plans under the new administration. Throughout the engagement, Humana emphasised their shift towards enhancing consumer experiences and transparency in their services, acknowledging the need for reform and improved public education on their processes. Humana provided insights into their operational strategies, and particularly how they are attempting to streamline prior authorization to reduce administrative burdens and improve patient care efficiency. They defended their coding practices by highlighting their preventive care benefits, that can lead to comprehensive patient diagnoses, though they acknowledged the ongoing scrutiny from media and government bodies. Regarding AI, Humana emphasised that their algorithms are used responsibly, with human oversight being part of all critical healthcare decisions, especially when it comes to denials of care. The company also clarified that there shouldn't be any significant disruption if its healthcare plans need to be adapted to any potential regulatory changes under the new administration.

Mastercard

Categories: *Social and Governance*

We engaged with Mastercard following on from their settlement of a Diversity, Equity, and Inclusion (DEI) related lawsuit. There had been allegations of historic underpayment of women and minorities which we wanted to hear the company's views on, as well as learn more on Mastercard's stance on DEI considering the current narrative in the US. We also discussed how they maintain robust consumer protection in digital payments and the use and integration of responsible AI across their services. Despite settling the DEI lawsuit, Mastercard remains committed to equal pay and inclusivity, evidenced by their continued focus on financial inclusion programs and internal cultural practices. They also have goals to increase U.S. Black leadership positions by 50% by 2025 and highlighted their ongoing efforts to boost the representation of women in management roles. On the digital payments front, Mastercard has comprehensive consumer protections in place with advanced fraud prevention tools and a commitment to privacy and security, which will be enhanced by their recent acquisitions of the cybersecurity and intelligence companies RiskRecon and Recorded Futures. They also emphasised the integration of responsible AI in their product development, ensuring that AI applications are ethical and centred around privacy.

Key quarterly engagement

RS Group

Categories: *Governance*

We had a call with the Chair of RS Group's Remuneration committee on proposed changes to the company's remuneration policy. The call was a result of an email we sent to the company highlighting our concerns regarding a one-off equity award proposed for the new CEO. The Chair believes the award is required for retention purposes. However, we took the opportunity to express our view that the proposed award size appeared excessive. The company noted our feedback and is consulting with other shareholders as well before making a decision. However, they also highlighted some other proposed changes, including the removal of a long-term incentive plan which with hindsight was overly generous.

Severn Trent

Categories: *Environmental and Governance*

We spoke with the Chair of the company on AMP8 (Asset Management Period 8), which sets investment and performance targets for water companies in England and Wales from April 2025 to 2030. The board were pleased with the final draft of AMP8 with The Water Services Regulation Authority (OFWAT), understanding the need for investment to improve the water network, and its environmental impact. The Chair highlighted that the CEO is very engaged with regulators and stakeholders and is highly regarded. We also discussed the board's approach to succession across the senior management team. The company would also like to follow up with us on the remuneration aspect of the Water (Special Measures) Act in due course.

Voting

During the first quarter of 2025 the Janus Henderson Global Responsible Managed Fund voted at 7 company meetings (100%). Out of 127 proposals that were put forward, there was 1 vote against management.

Global Responsible Managed Fund: votes against management Q1 2025

Company name	Meeting Date	Country	Details
Keysight Technologies	20 March 2025	USA	We voted for the declassification of the Board of Directors. A vote for this proposal was warranted as it would enhance Board accountability to shareholders.

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Important information

The Global Responsible Managed fund avoids companies engaged in fossil fuel power generation, however, the fund may invest in companies generating power from natural gas where the company's strategy involves a transition to renewable energy. In the case of labelled bonds, the fund may consider bonds issued by companies engaged in fossil fuel power generation where there is no association with tar sands, oil shale, fracking, or a predominant reliance on thermal coal power generation, and where there is a credible plan for transition to net zero or renewable energy. Investment in such companies is permitted where carbon intensity is aligned with a below 2°C scenario (limiting global warning to 2°C from pre-industrial levels). Where carbon intensity cannot be determined, a 10% threshold for energy production from natural gas is used.

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