

Q3 2023

GLOBAL TECHNOLOGY LEADERS

KNOWLEDGE SHARED

ESG Quarterly Voting and Engagement Report

Engagement policy

We believe that financial indicators have strong non-financial roots, which shapes our highly integrated approach to engagement. As active managers with superb access to senior management, we take a pro-active approach to communicating views to companies and seeking improvements in performance and standards of corporate responsibility and governance and support core principles such as disclosure, transparency and consistency. See Janus Henderson's [ESG Investment Policy](#) for more information.

- We consider our approach to ESG voting and engagement as 'evidence-based', systematic and pragmatic.
- Engagement work can be company specific or thematic led and represents a mixture of proactive and reactive engagement.
- Our analysis of the portfolios against ESG data informs this list together with the controversies, scientific advances and positive actions taken by the companies within the portfolio.
- We engage directly with companies via formal and informal meetings, calls and in writing, providing thought leadership in engagement on complex social and environmental issues.

Environmental & social characteristics:

- We regularly review a list of key engagement topics, related to our ESG commitments and based on our view of the company's performance and disclosure against key metrics, summarised in our Ranking Screen and ESG Process Control Monitor. These include topics such as decarbonisation, deforestation, biodiversity, UN Global Compact Principles and OECD guidelines for multinational enterprises (OECD MNE), Diversity, Equality & Inclusion (DE&I), education, R&D, remuneration, data privacy and security, tax and controversies.
- We believe that improving ESG standards have an important role in enhancing company valuation. This has been reviewed empirically in our whitepaper "The relationship between ESG factors and valuation within the global technology sector," available upon request.
- The strategy promotes climate change mitigation through ESG commitments including exclusionary criteria and as reflected in our voting and engagement activity.
- As technology specialists we believe we are well positioned to understand the disruptive aspects of technology and potential future ESG issues that may arise. In the past we have engaged on topics ranging from the mental health impacts of social media, taxation policy of mega-cap companies, whistle-blower policy standards, the balance of data security and privacy and the effects and controls on casual gaming.

Governance:

- While shareholder voting rights are a core part of good governance, the Global Technology Leaders (GTL) Team also considers the track record of board and management beyond traditional governance models in recognition of a strong relationship between founder led businesses supporting entrepreneurship which can also be optimal for shareholder returns.
- The team is committed to alignment with long-term interests of shareholders rather than short-term investors who may not consider broader environmental, social or technological considerations.
- Evidence includes sound management structures, employee relations, adequate remuneration, tax compliance, diversity of board, and pay linked to sustainability.

Thematic overlay:

- Our thematic overlay, considers the revenue-generating activities as well as the operational activities of investee companies, as well as Environmental (E) and Social (S) activities. Each company held in the portfolios are reviewed in relation to its impact on the environment and society, including governance risks.
- The Team, guided by a dedicated sustainability analyst, is responsible for its own research and the mapping of revenues to the investment themes outlined above, some of which promote E and S characteristics.

Team and resources:

- We use a variety of information sources including security issuers and third-party research providers and consultants to rank and assess our investee companies. However, we recognise the limitations of static scoring of complex issues with imperfect data and disclosures and varying methodologies.
- We are action orientated and address areas for improvement through formalised action plans with objectives and timeframes. A lack of progress or ESG performance improvement may prompt a revisit of the investment case and lead to an exit from the stock.
- Working closely with Janus Henderson's Responsible Investment and Governance Team enables the identification of any further issues and verifies progress on active engagement plans, as well as facilitates collaboration with other investors to increase engagement influence.
- The dedicated sustainability analyst and FOCG (Front Office Controls & Governance) provide regular oversight of our thematic mapping, negative screening, and tools like our Ranking Screen & Process Control Monitor, as well as providing a challenge on laggards, action plans, engagement and ESG commitments.

Focus for engagement:

ESG insights and engagement framework

Governance



- Evidence of sound management structures, employee relations, adequate remuneration, tax compliance
- Good governance practice that shows alignment with long-term interests rather than short-term shareholder demands
- Diversity of board, track record of management of environmental and social factors

Environmental



- Assessment of environmental risks and alignment to environmental opportunities
- Alignment with UNGC Principles 7-9
- Policies for risk mitigation, strategies for carbon reduction
- Disclosure and science-based targets in alignment with Paris agreement

Social



- Assessment of social risks and alignment to social opportunities
- Compliance with UNGC Principles 1-6
- Controversies monitored pro-actively and reactively

Note: 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, visit <https://unglobalcompact.org/what-is-gc/mission/principles> For more information on issues covered visit <https://www.unglobalcompact.org/library>

Voting policy

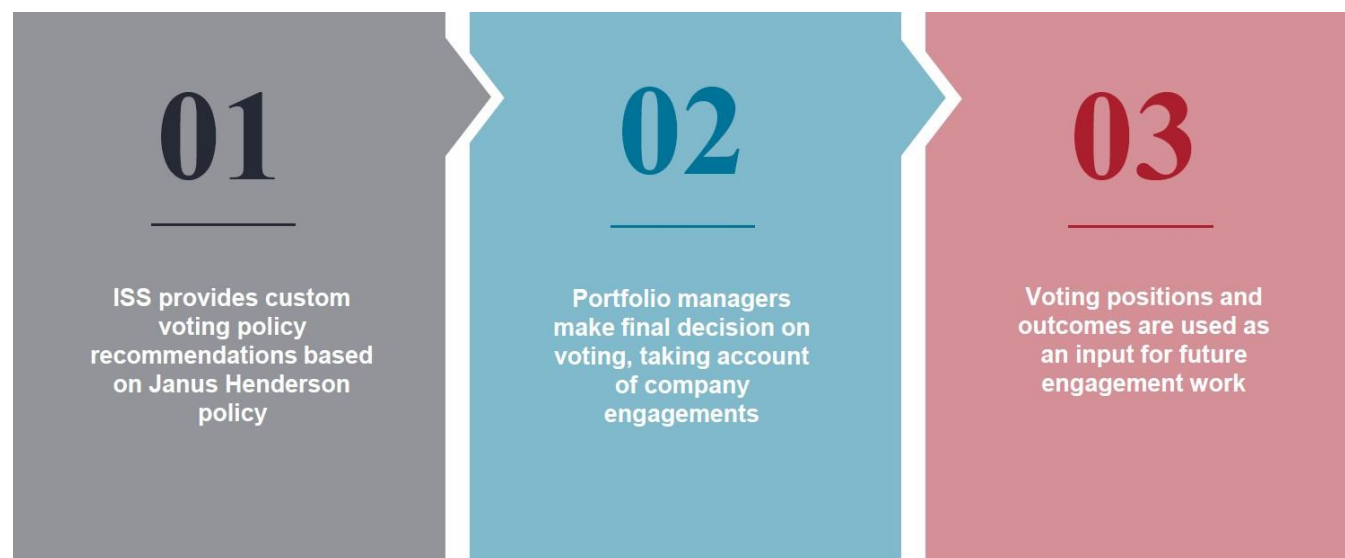
The GTL Team exercises the voting rights on behalf of clients at meetings of all companies in which it has a holding. The only exception to this is meetings where share blocking or other restrictions on voting are in place.

To assist the team in assessing the corporate governance of investee companies, Janus Henderson subscribes to ISS (an independent proxy voting adviser). ISS provides voting recommendations based upon Janus Henderson's corporate governance policies. Janus Henderson has a Proxy Voting Committee, which is responsible for the firm's positions on major voting issues and creating guidelines overseeing the voting process. The Committee is comprised of representatives of investment portfolio management, corporate governance, accounting, legal and compliance. Additionally, the Proxy Voting Committee is responsible for monitoring and resolving possible conflicts of interest with respect to proxy voting. Public links to our portfolio voting records are available on our company websites in applicable jurisdictions. Key voting decisions are made by portfolio managers and analysts. Our voting decisions are implemented electronically via the ISS Proxy Exchange voting platform.

As an active manager our preference is to engage with management and boards to resolve issues of concern rather than to simply 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.

The level of disclosure provided is important with a minimum expectation that the team is equipped with enough information to decide on all matters. Poor disclosure would result in a vote against the proposal except where engagement prior to the meeting has provided enough clarity to make an informed decision. Shareholder proposals on environmental, social and governance matters are assessed pragmatically, and the team will support them where they have the potential to enhance the sustainability or shareholder value of a stock.

Proxy voting process for the Global Technology Leaders Team

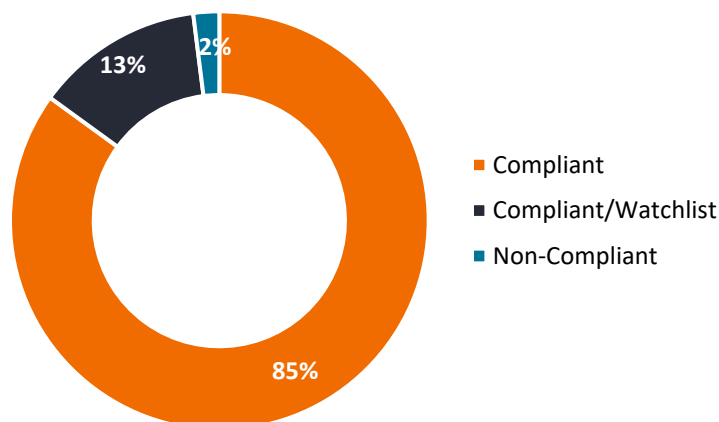


Source: Janus Henderson Investors, as at 30 September 2023.

Note: ISS = Institutional Shareholder Services.

Global Technology Leaders Strategy

UN Global Compact status by portfolio %



Source: Janus Henderson as at 30 September 2023.

Note: Watchlist determined by investment team, verified with Responsible Investment and Governance Team and Sustainalytics categorisation.

Watchlist as at 30 September 2023:

- Amazon – health and safety issues in operations
- Meta Platforms – privacy; user data usage 2015-2018
- Uber Technologies – privacy of drivers and customers, employee rights

Non-Compliant as at 30 September 2023:

- Tencent – allegedly engaged in censorship and surveillance of its users

Tencent was graded non-compliant from a watchlist on Sustainalytics' GSS screen (effective Q4 2022) for being in breach of Principle 2 of the UN Global Compact and Chapters IV and VIII of the OECD Guidelines for Multinational Enterprises - Businesses should make sure that they are not complicit in human rights abuses. The allegation was that Tencent had engaged in censorship and surveillance of its users on behalf of the Chinese government using flagship products such as multi-purpose messaging app WeChat (estimated 1.3 billion monthly active accounts), as well as products such as QQMail (email) and QQ Social Media (550 million monthly active users).

However, the team could not identify a clear catalyst for this downgrade and disagreed with the assessment. They believe the company should remain classed as "watchlist" and that the company deserves more time to implement improvements and nuance/context should be applied for companies operating in a country like China. The team have seen positive improvements over the past few years and engagements have been frequent and productive, notably in the past year as the company set up a dedicated ESG/carbon team and published its first dedicated corporate sustainability report. The team believe Sustainalytics fails to adequately take into account the challenges of operating lawfully in China; applying purely Western standards while also not providing a clear distinction between what Tencent is forced to do as part of content rules in China and blurring the line between censorship to comply with those rules vs pro-active surveillance. The evidence Sustainalytics provides for the latter is circumstantial and no different to how social media records are used in Western courts. The team's case was put forward and reviewed by the Janus Henderson ESG Oversight Committee and approved.

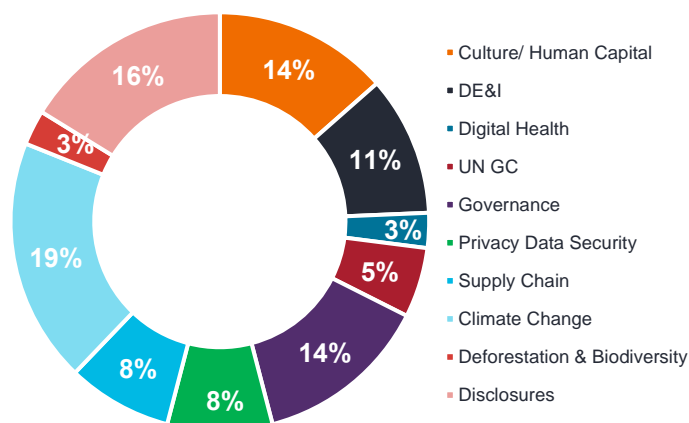
See Engagement Action Plan for developments regarding these holdings.

Key quarterly engagement

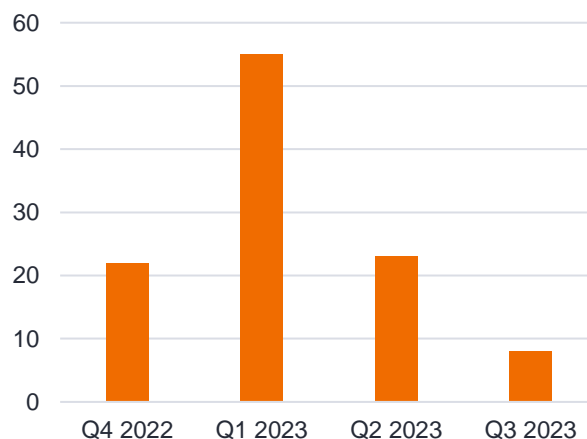
Summary of ESG engagement

Company	Culture/ Human Capital	DE&I	Digital Health	UN GC & OECD MNE	Governance	Privacy & Data Security	Supply Chain	Climate Change	Deforestation & Biodiversity	Disclosures
Adobe										
Alibaba Group										
Amazon.com										
Lam Research										
Mastercard										
Workday										

Q3 2023 – engagements breakdown



Engagements per quarter



Source: Janus Henderson Investors, as at 30 September 2023

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

References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned.

Key quarterly engagement: holdings

Adobe

Categories: *Culture/Human Capital, DE&I, Digital Health, Governance, Privacy & Data Security and Climate Change*

- Sustainability call with Jonathan Vaas (VP, Investor Relations), Heather Freeland (VP, Marketing and Chief Brand Officer), Dana Rao (EVP, General Counsel and Chief Trust Officer), Gloria Chen (Chief People Officer and EVP, Employee Experience) and Amy White (Director, Social Impact & Communications) which included a discussion on the company's climate action targets and AI. Although the team deem the company's net zero target of 2050 to be unambitious, Adobe has pulled forward its 100% renewable electricity target from 2035 to 2025 for its operations which is positive. The company has had an AI ethics committee in place for the past four years who are focussed on three principles: Accountability, Transparency and Responsibility. Adobe also has an AI engineering team that makes sure all of the company's new products and software features are tested using an AI impact assessment, which takes into consideration the company's community, customers and employees. The engineering team has a broad, representative and diverse dataset to test, and the process is quite detailed to ensure responsible innovation. For the company's own generative AI product, Firefly, it uses its own stock image content to ensure that it has the right to use the images and so that businesses can use the tool risk free. The company has also worked on AI prompts to ensure software is safe and representative and has formed the Content Authenticity Initiative (CAI) which brings transparency to digital content by attaching metadata to images, data known as Content Credentials. In relation to AI regulation, Adobe approves of the EU's low-risk versus high-risk approach and anticipates that all of its products will fall under the low-risk category. The company believes the US should follow a similar path. Adobe has also proposed an anti-impersonation law to the Senate which would protect artists and creators from people using AI to impersonate their work.

Alibaba Group

Categories: *Culture/Human Capital, DE&I, Governance, Privacy & Data Security, Supply Chain, Climate Change and Disclosures*

- The team had a group meeting with Rob Lin (Head of IR), Isabel He (IR Director) and Tom Liu (ESG Manager) which included a discussion on the company's climate action targets and its disclosures. Over the past year the company has made solid progress towards reaching its climate neutrality targets which are to be carbon neutral in its own operations and to halve its Scope 3 emissions by 2030. The company's overall GHG emissions are down by 7.6% year-over-year. Its Scope 1 and 2 emissions have reduced by 12.9% year-over-year and its Scope 3 emissions have reduced by 5.7% on the same basis. The company also released its new ESG report in the third quarter of the year and hosted an ESG seminar at the end of September.

The team were also part of a group call with Tom Liu, Nova Zhao (ESG Manager) and Cerin Yip (ESG Director) which covered environmental work, AI and the company's new management/structure. The company's datacentres are now running on 54% renewable energy, and it achieved a decrease of Power Usage Effectiveness (PUE) to 1.215. The company's ESG Data Verification Statements now include social as well as environmental aspects. Alibaba's audit covered 28% of its suppliers in FY2023. Alibaba Group committed to join the Science Based Targets initiative (SBTi) in 2021 and continues to work with them on a path forward, however, it is not yet clear yet as the platform has unique challenges. On the social side of things, the company has improved working conditions for flexible workers, creating an open communications channel, roundtable meetings for feedback and better insurance. The company has also enhanced its product quality management system, app accessibility and stressed that it is minimising data collection. Strong statistics were provided on how its platform is providing growth opportunities for MSMEs (micro, small and medium enterprises). AI ethics are managed by the Alibaba Group Science and Technology Ethics Governance Committee which is chaired by the CTO and includes members from legal, research and development and the company's academy. The company announced a new governance structure earlier in the year, with six major business groups. Each of the major businesses has its own CEO and own Board of Directors, with each CEO being approved by the holding group's Board of Directors. The company iterated that the restructure will not change its ESG strategy or ESG governance structure. Board independence and diversity has been enhanced and Alibaba Group's Audit and Compensation committees are both now 100% independent.

Amazon.com

Categories: *Climate Change*

- The team reached out to Tessie Petion (Head of ESG Engagement) and Hillary Marshall (ESG Engagement Specialist) after learning that Amazon.com was unable to submit its climate targets for validation with the UN backed Science Based Targets initiative (SBTi) within the prescribed timeframe. The team expressed their disappointment and expressed a wish to understand the challenges in setting a SBTi target, enhanced climate disclosures and value chain improvements. Amazon responded that they are still working closely with SBTi, that part of the delay was due to a lack of relevant and up to date guidelines on areas such as transport and highlighted recent enhancements in disclosure. The team will follow up with engagements in Q4. The team have reached out to SBTi for their perspective also.

Lam Research

Categories: *Culture/Human Capital, DE&I, UN GC & OECD MNE, Governance, Supply Chain, Climate Change and Disclosures*

- Engagement call with Hans Riegels (Corporate Legal), Tina Correia (IR), Mary Chamaki (Corporate Counsel) and Mary Beth Towne (Compensation and Benefits) to discuss the progress that the company has made on its ESG journey. The company has now accomplished the initial water savings goal that it set which was to achieve 17 million gallons of water savings in water-stressed regions from a 2019 baseline by 2025. The company has now updated its 2025 target to 80 million gallons. It is aiming to achieve net zero emissions by 2050 and has achieved SBTi approval for its 2030 scope 1 and 2 emissions reductions goals and for its 2025 supplier/customer engagement goals. The company has also now joined the United Nations Global Compact initiative and is a founding member of SEMI's Semiconductor Climate Consortium. PFAS (per-and polyfluoroalkyl substances) use is a large focus area for the company and it is committed to reducing its usage. Lam Research highlighted that a big problem across the industry is that there aren't always alternatives available to PFAS. A near-term problem is the supply chain issues that will be created when manufacturers of PFAS exit the market and a long-term problem relates to the EU regulation in place. The company regularly engages with its suppliers and will address PFAS in an ESG focussed forum which is due to take place in the fourth quarter of this year. Board independence is a key focus for the company and gender and racial diversity are key factors in the decision-making process when selecting members.

Mastercard

Categories: *Culture/Human Capital, Governance, Privacy & Data Security and Disclosures*

- Engagement call with Devin Corr (Executive Vice President, Investor Relations), Jim Masterson (Senior Vice President, Head of Global Litigation) and Adam Zitter (Executive Vice President, General Counsel – Strategic) which was catalysed by an MSCI ratings downgrade and ongoing controversies. Mastercard stated that most of the headlines and controversies surrounding the anti-competitive practices relate to legacy issues/lawsuits which have mainly been resolved and had a much lower impact than suggested by the headlines. Over 75% of the lawsuits that the company was facing are now behind them. Mastercard does not believe that its company culture has been negatively impacted by the issues reported and highlighted that it believes in competition, innovation and creating value for customers. The company also shared that it has an active and regular dialogue with its data providers, regulators and merchants. The team will continue to monitor how the company continues to manage the reputational risk and risk to growth associated with the allegations and how it is perceived by its stakeholders.

Workday

Categories: *Culture/Human Capital, DE&I, UN GC & OECD MNE, Governance, Supply Chain, Climate Change and Disclosures*

- ▶ Response to engagement letter received, sent by Anne Bawden (Sr. Manager, Investor Relations) which included a discussion on Workday's Board gender diversity and its UN GC signatory status. The company sent across an enhanced 2023 Impact Report in response to the team's engagement letter. It highlighted that while the company assesses its Board as 50% gender and/or ethnically diverse, it is actively focussed on improving gender diversity across the firm. Workday is not currently a signatory of the UN GC, however, it does believe that its current practices are in alignment with the ten principles of the UN Global Compact.

Engagement action plan

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Advanced Micro Devices	<ul style="list-style-type: none"> Improved ESG Disclosures 	Advanced Micro Devices has strong disclosures in place, however, it does not currently report its emissions to water. The team will engage with the company to improve its disclosures.	25 months	Open
Alibaba Group	<ul style="list-style-type: none"> More diverse Board, ESG focussed, DE&I Enhance supply chain audits and monitoring Enhance ESG report Monitor potential controversies Look into emissions to water and hazardous waste 	The management and Board have proved to be reactive to controversy and new regulation. The team believes aligning pay to ESG criteria as well as bringing more ESG experience to the Board will help. The team plans to push Alibaba to align executive pay to ESG criteria including the new carbon targets and to propose more diverse Board members with relevant ESG expertise. Given the recent sexual harassment case handling, it is important gender diversity is also maintained.	Ongoing	Open
Alphabet	<ul style="list-style-type: none"> Understand ongoing legal actions/updates on the App Store etc. Better understanding of private browsing mode and verification process for users <13 for YouTube etc. Better understanding of how Alphabet is devolving its ethical oversight of Responsible AI Engage on improving Board gender diversity UN GC signatory Understand exposure to exclusions – especially military Ongoing monitoring of lay-offs, bonus deferrals, DE&I 	Alphabet organises all the information on the world wide web. As the dominant global search engine it has huge influence over the dissemination of news and information. As such, the team believes that ongoing engagement is always going to be required and an action plan which evolves will likely be in place. The team are looking for ongoing progress with some of the sub requirements with specific time goals.	Ongoing	Open

Company	Objective	Summary	Timeline	Status this quarter
Amazon.com	<ul style="list-style-type: none"> Quantify what it means to be 'the best workplace on Earth' Granularity on green data centres More ambitious GHG reduction targets Improve environmental disclosure Update on health and safety Report employee turnover figures by division/geography UN GC signatory Understand regulatory landscape around anti-competitive and anti-trust issues, data privacy and security Board refreshment commitment, more disclosure around rotation of audit partner and on remuneration Provide audits and transparency around supply chain Publish details on employee satisfaction and ensure benefits are sufficient across all regions 	Recent multiple engagements have been positive. Amazon remains one of the most innovative and disruptive growth companies in the world. This often comes with controversies in its ecommerce, marketplace and Amazon Web Services (AWS) divisions. Historically the company has been less focused on ESG issues but 2020 heralded a new era. The company hired an ESG head, Tessie Petition, who is working alongside IR. In terms of openness and disclosure, there has been a steep change as evidenced by the team's access to senior HR professionals to address their questions on whistle blower policy and warehouse conditions.	Ongoing	Open

Company	Objective	Summary	Timeline	Status this quarter
Ambarella	<ul style="list-style-type: none"> • Improve environmental disclosures • Set environmental targets • UN GC signatory • Improve ethical processes • Engage on improving Board gender diversity 	Ambarella is a fabless semiconductor company that delivers designs to Samsung Electronics. The company has provided policies on conflict minerals and hazardous materials, however, has limited supply chain stewardship and influence. It is building an automotive business and will ramp up ESG disclosures. The team spoke to the CEO in December 2021 with a follow up engagement with the company in 2022 and an engagement letter being sent in the first quarter of this year. The company has disclosed carbon now which is a precursor for environmental targets.	11 months	Open
Amdocs	<ul style="list-style-type: none"> • Engage on improving Board gender diversity 	Amdocs is a software and services provider in the communications and media industry. The company currently lags its peers in relation to Board gender diversity, which is at 20%. The team will engage with the company to improve this.	18 months	Open
Apple	<ul style="list-style-type: none"> • Provide disclosure on water emissions, implement environmental/waste audits and targets • Lower value chain footprint • Supply chain -monitor ongoing risks and commit to paying min living wage • Stay on top of regulation • Implement pay linked to sustainability • Transparency on tax and government requests • UN GC signatory 	As a tech company with one of the largest outsourced supply chains globally, the team welcome the huge strides Apple has taken to set and maintain ever higher standards for its suppliers. However, in the case of two of its largest suppliers, Samsung Electronics and TSMC, the ambition and timeline of their carbon reduction targets leaves a lot to be desired and are not aligned with the company's goals. The team would like to see Apple pushing them harder to be more ambitious in partnership with the engagement the team are doing directly with those companies. The team would also like to see Apple be more proactive in showcasing its ESG progress over the years via dedicated events to engage a wider audience.	Ongoing	Open

Company	Objective	Summary	Timeline	Status this quarter
Aptiv	<ul style="list-style-type: none"> • UN GC signatory • Improve environmental disclosures • Improve decarbonisation targets 	Aptiv is a leader in the automotive technology industry. The company is committed to becoming climate neutral by 2040 and the team would like to encourage the company to have 2030 targets in place. The team will also encourage the company to become a UN GC signatory and engage to find out more on the company's water emissions.	18 months	Open
Arista Networks	<ul style="list-style-type: none"> • Formulate GHG reduction targets • UN GC signatory 	Arista Networks is a pioneer of high-speed networking technology with a particular focus on the requirements of data centres for cloud computing. The company currently reports its Scope 1-3 GHG footprint and aims to publish science-based targets in 2023. The team will monitor this as well as encourage the company to become a UN GC signatory.	18 months	Open
BE Semiconductor Industries	<ul style="list-style-type: none"> • Emissions to water disclosure • UN GC signatory 	BE Semiconductor Industries is a leader in hybrid bonding equipment with significant carbon reduction targets. Engagement will occur to encourage the company to become a UN GC signatory, gain information on its emissions to water and also more detail in its reduction targets.	18 months	Open
Constellation Software	<ul style="list-style-type: none"> • Publish a sustainability report • Formulate GHG reduction targets • UN GC signatory • Improve data security and privacy processes • Investigate acquisition strategy in regard to ESG • Inquire into end consumers/users to ensure exclusions are upheld 	The company is a software acquirer with a decentralised workforce. It has no major red flags but its ESG progress has been slow. The company has been growing ESG organically and is very cautious on only reporting good quality data. Resourcing on ESG is low but encouragement and sharing of best practice is there. Jeff Bender, Director and Chief Executive Officer of Harris Operating Group is open for communication and driving the ESG agenda forwards.	Ongoing	Open

Company	Objective	Summary	Timeline	Status this Quarter
Fiserv	<ul style="list-style-type: none"> Improved ESG disclosures Firm environmental commitments UN GC signatory Improve data security and privacy processes Inquire into R&D spend vs. peers 	Fiserv is currently a laggard on the team's internal ESG Ranking Screen. The company has not published specific carbon reduction targets and is lacking a CDP disclosure. The team is pressing for positive ESG momentum, improved ESG disclosure, R&D spend clarity, UN GC signatory status or equivalent process or compliance mechanisms, a carbon reduction target, auditor review and a CDP disclosure.	11 months	Open
GE HealthCare Technologies	<ul style="list-style-type: none"> Improved ESG disclosures 	GE Healthcare Technologies is a leading global medical technology company and a significant player in the diagnostic imaging, patient monitoring and pharmaceutical diagnostics markets. It is the market leader in ultrasound. Its products help to address the key challenges facing modern healthcare systems by improving clinician productivity, identifying medical conditions and improving medical outcomes for patients. As the company has just spun out of General Electric it is still early in its ESG journey. The team will engage with the company to help it build out its disclosures.	18 months	Open
Impinj	<ul style="list-style-type: none"> Improve environmental disclosure Set GHG reduction target Report scope 1-3 emissions to CDP and percentage of renewables UN GC signatory or equivalent Engage on improving Board gender diversity Improve disclosure on data privacy & security Improve ethical practices 	As a small company with limited resources, Impinj has been poorly scored by third-party ESG ranking providers given a lack of disclosure and being in the semiconductor industry where there are environmental and supply chain risks. The team disagree with ISS's assessment of not representing shareholders and believe the company is misunderstood by MSCI. Impinj has an environmentally-aware founder who is committed to a strong, responsible corporate culture, has been very open to engagement on these issues, improving disclosures and getting the recognition for Impinj's sustainable and ESG credentials that he feels are core to the company's mission. Recent engagements have been promising.	18 months	Open

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Company	Objective	Summary	Timeline	Status this Quarter
Jabil	<ul style="list-style-type: none"> Engage on improving Board gender diversity 	Jabil is a manufacturing solutions provider relied upon by Apple, Tesla, Amazon and Johnson & Johnson among others to provide a breadth of technical and design capabilities, manufacturing know how, supply chain management and product management. The team view Jabil as a best in class manufacturer whose operational expertise is its competitive advantage with its sustainable alignment benefiting its clients. Jabil's Board gender diversity has recently dropped below 30% so the team will engage with the company to improve this.	23 months	Open
Keysight Technologies	<ul style="list-style-type: none"> Engage on improving Board gender diversity 	Keysight Technologies is a market leader in test and measurement across wireless, data centres, semis and increasingly autos. The company has strong ESG disclosures in place, however, its Board gender diversity is below 30%. The team will engage with the company to encourage improvement.	25 months	Open
Lam Research	<ul style="list-style-type: none"> Improved ESG Disclosures 	Lam Research has strong disclosures in place, however, it does not currently report its emissions to water. The team will engage with the company to improve its disclosures.	23 months	Open
Marvell Technology	<ul style="list-style-type: none"> Formulate GHG reduction targets (SBTs submitted for validation) Engage on improving Board gender diversity 	The company has submitted science-based targets for validation and has published its first sustainability report. The company has also built out its ESG team and appointed a Head of Diversity. The company has said that a new female member will be added to the Board as well, resulting in a gender Board diversity value in excess of 30%.	16 months	Open

Company	Objective	Summary	Timeline	Status this Quarter
Mastercard	<ul style="list-style-type: none"> Understand the ESG controversies around business practices and management's response to those criticisms Provide more ambitious net zero target Improve Board-level oversight of data privacy ecosystem 	Mastercard's recently set target for Net Zero (by 2040) is longer dated than other companies in the sector and its absolute emissions are higher. It is an ESG laggard due to controversies. Pay is linked to sustainability and it is also now linking bonus pay to the team's ESG priorities including carbon emission reduction, gender pay parity and financial inclusion. It is also a UN GC signatory. Engagement with management will take place to improve ESG disclosures, plus some additional work/discussion around controversies e.g. accusations of anticompetitive behaviour.	Ongoing	Open
MercadoLibre	<ul style="list-style-type: none"> Engage on improving Board gender diversity UN GC signatory Formulate GHG reduction targets Improve disclosures Implement ESG targets and governance Understand materiality of impact categories Improve ethics, data privacy and security and supply chain processes 	MercadoLibre is a LatAm online e-commerce platform, focussed on social impact, providing a platform for mom and pop shops to thrive (+ entrepreneurs and SMEs), financial inclusion tools, digital and commercial tools. The company has been very focussed on social goals but is lagging on environmental targets. It is focussed on ESG and improvements are being made.	18 months	Open
Meta Platforms	<ul style="list-style-type: none"> Enhance remit of independent oversight committee Implement pay linked to sustainability and improve ESG governance Understand and challenge metaverse protection and improve transparency on content moderation Implement privacy by design and increase transparency on data usage Implement Board level ethics oversight 	The Facebook files exposé in the Wall Street Journal raised some significant additional issues on the prioritisation and organisational response to user welfare issues and on how oversight was operating. The team would like to see steps to show alignment with welfare of users, transparency with investors, users and media on internal issues of substance.	Ongoing	Open

Company	Objective	Summary	Timeline	Status this Quarter
Micron Technology	<ul style="list-style-type: none"> Improved ESG Disclosures 	Micron Technology has strong disclosures in place, however, it does not currently report its emissions to water. The team will engage with the company to improve its disclosures.	23 months	Open
Netflix	<ul style="list-style-type: none"> Engage on improving Board gender diversity Proof for NCZ20, GHG reduction target UN GC signatory 	Netflix is a content producer and streaming platform, that has helped spread information on the planet and its people, such as Seaspiracy and promote diverse content like Squid Game. However, its ESG disclosures and targets can sometimes be patchy. The team will engage with the company to improve its disclosures along with its Board gender diversity.	11 months	Open
NVIDIA	<ul style="list-style-type: none"> Improve GHG reduction target Engage on improving Board gender diversity 	NVIDIA currently lags its peers in relation to Board gender diversity, which is at 28.6%. The team will engage with the company to improve this along with its decarbonisation strategy.	18 months	Open
Pure Storage	<ul style="list-style-type: none"> Improved ESG Disclosures 	Pure Storage provides a range of flash-based enterprise storage solutions that help clients uncomplicate their data storage needs, reducing the associated cost and energy requirements for high performance workloads and for cloud compute. Engagement will occur to encourage the company to disclose its water and hazardous waste emissions	25 months	Open
Roper Technologies	<ul style="list-style-type: none"> Enhance sustainability report Enhance ESG message across the business Formulate GHG reduction targets UN GC signatory Provide more granular DE&I data Improve data privacy and security and ethical processes 	Roper Technologies is a manufacturer and distributor of industrial equipment. It is a conglomerate software business at the beginning of its ESG journey so its disclosures are patchy and dependent on sub-business. The Board launched its formal ESG journey in 2020. Its ESG resources remain limited, however, the company has brought in external help, using ESG consultancy firm, Sustainerv.	Ongoing	Open

References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned.

Company	Objective	Summary	Timeline	Status this Quarter
Taiwan Semiconductor Manufacturing	<ul style="list-style-type: none"> • Address inconsistencies in sustainability report • Improve ambition of decarbonisation target • Details on how water risk is monitored • Details on how energy efficient products are defined • More transparency around the reporting of employee grievances • Details on Health & Safety vs. peers • Engage on improving Board gender diversity • UN GC signatory 	The team plans to build a relationship with the company and engage on Board diversity, disclosure improvements and climate action targets.	11 months	Open
TE Connectivity	<ul style="list-style-type: none"> • Improve environmental disclosures 	TE Connectivity is a global industrial technology leader with a broad range of connectivity and sensor solutions for a variety of harsh environments. Engagement will occur to encourage the company to improve its environmental disclosures to better understand the company's emissions to water.	18 months	Open
Tencent	<ul style="list-style-type: none"> • Remove from UN GC watchlist • Improved ESG disclosure and reporting • Engage to improve Board gender diversity 	Catherine Chan (Head of ESG) has reached out to the team on multiple occasions to understand how they can improve their ESG credentials. The company has set up a new, strong ESG governance structure. Tencent was added to Sustainalytics' UN Watchlist in Q3 21 due to breaches of Principle 1 (human rights) plus Chapters IV and VIII of OECD Guidelines for MNEs (human rights and consumer interests). Good engagement has led to the team having comfort on UN GC and improved disclosure/targets are in the works. The company has now become a UN GC signatory. Tencent has implemented a carbon reduction target post the team's previous engagements. Human rights will be a longer term engagement for the team.	11 months	Open

Company	Objective	Summary	Timeline	Status this Quarter
Trip.com Group	<ul style="list-style-type: none"> Implement carbon reduction target Engage to improve Board gender diversity Improve environmental disclosures 	Trip.com Group is currently considered an ESG laggard due to its Board diversity and lack of a decarbonisation target. The team will engage to make sure a target is implemented and will encourage the company to improve its Board gender diversity to a value equal to or in excess of 30%.	Ongoing	Open
Uber Technologies	<ul style="list-style-type: none"> Improve global Health & Safety statistics Proactively supporting Uber drivers/3rd way of employment Improve data privacy & security processes Improve GHG reduction target UN GC signatory 	Since the 2017 change of management and complete overhaul of executive and Board ranks, there is evidence of a clear shift in corporate culture, a promotion of ethics and doing the right thing over expediency as well as significantly more disclosure (sustainability report, health & safety report) plus a commitment to a zero emission vehicle transition (2030/40). The team has had regular engagement with both senior management and the new, dedicated ESG team around a variety of topics, notably a 'third way' gig economy employment solution.	Ongoing	Open
Universal Display	<ul style="list-style-type: none"> Implement carbon reduction target Improve disclosures 	Universal Display is a pioneer in organic light emitting diode (OLED) displays. These displays utilise phosphorescent materials and do not require a backlight so are therefore much more power efficient than liquid crystal displays (LCD). Engagement will occur to encourage the company to disclose its water emissions and to put in place a decarbonisation target.	25 months	Open
Universal Music Group	<ul style="list-style-type: none"> Improve disclosures Implement carbon reduction target 	Universal Music Group has made progress with its ESG reporting, evident through the creation of an integrated sustainability section within the company's annual report. However, the team would like the company to publish a standalone ESG report and to improve its emissions disclosures. The team will also encourage the company to implement climate neutrality targets.	Ongoing	Open

Company	Objective	Summary	Timeline	Status this Quarter
Visa	<ul style="list-style-type: none"> To understand the ESG controversies around business practices and management's response to those criticisms Improve environmental disclosures and commitments Implement 3rd party oversight on data security & privacy 	Visa is an established company operating a payments network at the core of both on-premise and e-commerce. As a mature company with significant global operations, its recently set target for Net Carbon Zero (by 2040) is longer dated than other companies in the sector and its absolute emissions are higher. It is an ESG laggard on the team's internal Ranking Screen due to controversies. The team will continue to engage on these topics.	Ongoing	Open
Workday	<ul style="list-style-type: none"> Engage on improving Board gender diversity 	Workday's product set helps deliver better employee experiences, improve operational efficiencies, and provide insights for faster, data-driven decision making. It currently lags its peers with respect to its Board gender diversity. The team will encourage the company to improve its Board gender diversity to a level above 30%.	18 months	Open

Voting

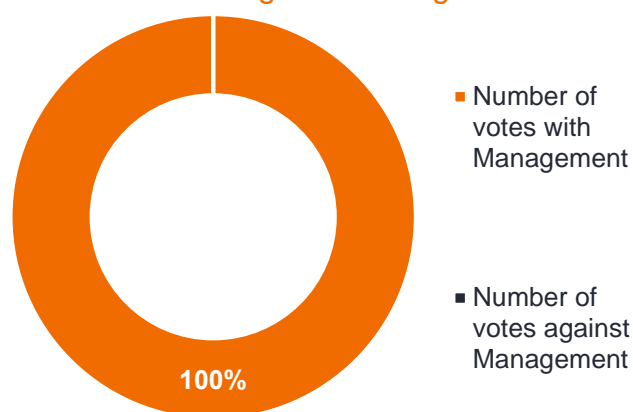
Summary of voting

Janus Henderson's ESG Investment Principles sets out our approach to ESG issues, including our proxy voting policy.

We believe that in order to achieve long-term success, companies need not only to conceive and execute appropriate business strategies but also to exhibit good standards of corporate governance and corporate responsibility with regards to all stakeholders.

The Global Technology Leaders Team voted in 100% of the meetings available during the quarter. The Team voted with management for all available meetings.

Votes With and Against Management in Q3 2023



Source: Janus Henderson Investors as at 30 September 2023

Glossary

CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

GRI, the Global Reporting Initiative Standards enable any organization – large or small, private or public – to understand and report on their impacts on the economy, environment and people in a comparable and credible way, thereby increasing transparency on their contribution to sustainable development.

The Global Network Initiative (GNI) aims to protect and advance freedom of expression and privacy rights in the information and communications technology (ICT) sector by setting a global standard for responsible decision making and serving as a multistakeholder voice in the face of government restrictions and demands.

UNGC or the United Nations Global Compact 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.

UNSDG, the 17 Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

OECD MNE (OECD Multinational Guidelines for Multinationals) reflect the expectations from governments to businesses on how to act responsibly. They cover all key areas of business responsibility, including human rights, labour rights, environment, bribery, consumer interests, as well as information disclosure, science and technology, competition, and taxation.

SBTi, the Science-Based Targets initiative drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets. The SBTi is a partnership between CDP (the not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

PAI or Principal Adverse Impact is a key concept in the EU's Sustainable Finance Disclosure Regulation (SFDR). PAI is defined as "Negative, material or likely to be material effects on sustainability factors that are caused, compounded by or directly linked to investment decisions and advice performed by the legal entity." In the SFDR, there are both narrative and quantitative disclosure requirements for financial market participants.

RE100 is a global initiative bringing together the world's most influential businesses committed to 100% renewable electricity. Led by the Climate Group and in partnership with CDP, its mission is to accelerate change towards zero carbon grids at scale.

SASB Standards enable businesses around the world to identify, manage and communicate financially-material sustainability information to their investors. SASB is a complete set of globally applicable industry-specific standards, which identify the minimal set of financially material sustainability topics and their associated metrics for the typical company in an industry.

Scope 1, 2 and 3 is a way of categorising the different kinds of carbon emissions a company creates in its own operations, and in its wider value chain. Scope 1 covers the greenhouse gas emissions that a company makes directly — for example while running its boilers and vehicles. Scope 2 are the emissions it makes indirectly — like when the electricity or energy it buys for heating and cooling buildings, is being produced on its behalf. Scope 3 covers all the emissions an organisation is indirectly responsible for, up and down its value chain. For example, from buying products from its suppliers, and from its products when customers use them.

TCFD, Task Force on Climate-related Financial Disclosures was created by the Financial Stability Board (an international body that monitors and makes recommendations about the global financial system) to develop recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing a specific set of risks related to climate change. TCFD aims to improve and increase reporting of climate-related financial information.

Net zero refers to the balance between the amount of greenhouse gas produced and the amount removed from the atmosphere. Net zero is reached when the amount of greenhouse gas added is no more than the amount taken away.

Janus Henderson Investors
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Important information

In accordance with the Sustainable Finance Disclosure Regulation, Portfolios within this strategy are classified as Article 8 promote, among other characteristics, environmental and social characteristics.

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