

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

APPENDIX

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Henderson Diversified Income Trust plc
Legal entity identifier: 213800RV2228EO1JEN02

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<div><div><div></div><div></div><div></div></div>Yes</div>	<div><div><div></div><div></div><div></div></div>No</div>
<div><div><input type="checkbox"/></div><div>It will make a minimum of sustainable investments with an environmental objective: ____%</div><div><div><input type="checkbox"/></div><div>in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div></div><div><div><input type="checkbox"/></div><div>in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div></div></div>	<div><div><input type="checkbox"/></div><div>It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments</div><div><div><input type="checkbox"/></div><div>with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div></div><div><div><input type="checkbox"/></div><div>with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div></div><div><div><input type="checkbox"/></div><div>with a social objective</div></div></div>
<div><div><input type="checkbox"/></div><div>It will make a minimum of sustainable investments with a social objective: ____%</div></div>	<div><div><div>X</div></div><div>It promotes E/S characteristics, but will not make any sustainable investments</div></div>

What environmental and/or social characteristics are promoted by this financial product?

The Company promotes climate change mitigation and support for the UNGC principles (which cover matters including human rights, labour, corruption, and environmental pollution, avoid investments in sovereign issuers that have not ratified the Paris Agreement, and avoids investments in certain activities with the potential to cause harm to human health and wellbeing. The Company does not use a reference benchmark to attain its environmental or social characteristics.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***
 - Ratification of the Paris Agreement on Climate Change ("Paris Agreement") by sovereign issuers.
 - Carbon Intensity Scope 1&2
 - Overall UNGC Compliance Status
 - ESG exclusionary screens - see "What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?" below for details on the exclusions.
 - Overall Freedom House Index status

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable

— — — *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

— — — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes
☐ No

As at the date of this AIFMD Disclosure, the Investment Manager considers some of the principal adverse impacts on sustainability factors (“PAIs”):

<u>Principle Adverse Impact</u>	<u>How is PAI considered?</u>
GHG Emissions	Exclusionary screens
Carbon Footprint	Exclusionary screens
GHG Intensity of Investee Companies	Exclusionary screens
Exposure to companies active in fossil fuel	Exclusionary screens
Violations of UNGC and OECD	Exclusionary screens
Exposure to controversial weapons	Exclusionary screens

Please see the Company’s SFDR website disclosures at <https://www.janushenderson.com/en-gb/investor/product/henderson-diversified-income-trust-plc/> for further details on the current approach adopted and PAIs considered.

The Company will make information available on how it has considered the PAIs in its periodic report.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

■ What investment strategy does this financial product follow?

The Company aims to provide shareholders with a high level of income and preservation of capital, through the economic cycle.

The exclusionary screens are implemented on both a pre and post trade basis enabling the Investment Manager to block any proposed transactions in an excluded security and identify any changes to the status of holdings when third-party data is periodically updated.

The binding elements of the investment strategy described below are implemented as exclusionary screens within the Investment Manager's order management system utilising third-party data provider(s) on an ongoing basis. One binding element is not included as an exclusionary screen within the order management system, this is "the corporate bond portion of the Company will aim to have a lower carbon intensity than its relevant reference universe on a monthly basis". This commitment is monitored on a monthly basis by comparing the carbon intensity number of the portfolio and its relevant reference universe as calculated by a third-party data provider.

■ *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

The Investment Manager uses specific screens to help achieve some of the promoted characteristics. For example- to promote climate change mitigation, screens are applied to avoid investment in certain high carbon activities, and it is expected that this will result in the Company having a lower carbon profile. Another example is that to promote support for the UNGC Principles, screens are applied so that the Company does not invest in issuers that are in breach of the UNGC Principles based on third party data and/or internal research.

The Investment Manager applies screens to exclude direct investment in corporate issuers based on their involvement in certain activities. Specifically, issuers are excluded if they derive more than 10% of their revenue from oil and gas generation and production, oil sands extraction, shale energy extraction, thermal coal extraction and power generation, Arctic oil and gas extraction.

Issuers are also excluded if they derive any revenue from fur, or controversial weapons. Issuers are also excluded if they are deemed to have failed to comply with the UNGC Principles (which cover matters including human rights, labour, corruption, and environmental pollution).

The Company also applies the Investment Manager's Firmwide Exclusions Policy (the "Firmwide Exclusions Policy"), which includes controversial weapons:

This applies to all the investment decisions made by the Investment Manager. The Firmwide Exclusions Policy may be updated from time to time.

Presently, investment is not permitted in entities involved in the current manufacture of, or minority shareholding of 20% or greater in a manufacturer of controversial weapons, namely:

- (i) Cluster munitions;
- (ii) Anti-Personnel mines;
- (iii) Chemical weapons;
- (iv) Biological weapons.

Classification of issuers is primarily based on activity identification fields supplied by the Investment Manager's third-party ESG data providers. This classification is subject to an investment research override in cases where sufficient evidence exists that the third-party data field is not accurate or appropriate. In any scenario where a portfolio position is identified as not meeting this exclusion criteria for any reason (legacy holding, transition holding, etc.) the Investment Manager shall be granted 90 days to review or challenge the classification of the issuer if appropriate. After this period, in the event an investment research override is not granted divestment is required immediately under normal market trading circumstances.

The corporate bond portion of the Company will aim to have a lower carbon intensity than its relevant reference universe on a monthly basis.

The Investment Manager excludes from the Company sovereign bond issuers that have been sanctioned under the EU Global Human Rights Sanctions Regime or the UN sanctions regime and/or have not attained a sufficiently high score (e.g., 'free') under the Freedom House Index that promotes political rights and civil liberties (or other such similar index as determined by the Investment Manager).

The Investment Manager may only invest in companies that would be excluded by the screens described above if the Investment Manager believes, based on its own research and as approved by its ESG Oversight Committee, that the third-party data used to apply the exclusions is insufficient or inaccurate.

The Investment Manager may consider that the data is insufficient or inaccurate if, for example, the third-party data provider research is historic, vague, based on out of date sources, or the Investment Manager has other information to make them doubt the accuracy of the research.

If the Investment Manager wishes to challenge the third-party data then the challenge is presented to a cross-functional ESG Oversight Committee who must sign off on the "override" of the third-party data.

If a third party data provider does not provide research on a specific issuer or excluded activity, the Investment Manager may invest if, through its own research, it is satisfied that the issuer is not involved in the excluded activity.

If an existing investment becomes ineligible based on exclusionary screens, it will be divested within a reasonable time.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy***

There is no committed minimum rate.

- ***What is the policy to assess good governance practices of the investee companies?***

The companies in which investments are made are assessed by the Investment Manager to follow good governance practices.

The good governance practices of investee companies are assessed prior to making an investment and periodically thereafter in accordance with the Sustainability Risk Policy ("Policy").

The Policy sets minimum standards against which investee companies will be assessed and monitored by the Investment Manager prior to making an investment and on an ongoing basis. Such standards may include, but are not limited to: sound management structures, employee relations, remuneration of staff and tax compliance.

The Policy can be found incorporated within Janus Henderson's "ESG Investment Policy" in the "About Us - Environmental, Social and Governance (ESG)" section of the website at www.janushenderson.com.

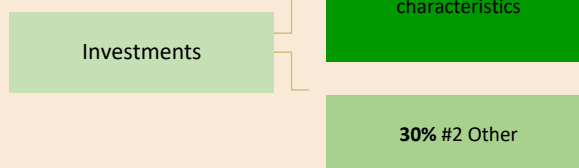
In addition, the Investment Manager is a signatory to the UN Principles for Responsible Investment (UNPRI). As a signatory, the good governance practices of investee companies are also assessed by having regard to the UNPRI principles prior to making an investment and periodically thereafter.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What asset

is the

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

allocation planned for this financial product?

A minimum of 70% of the investments of the financial product are used to meet the environmental or social characteristics promoted by the financial product. Other assets, which are not used to meet the environmental or social characteristics, may include cash or cash equivalents, securitised assets, derivatives for the purposes of efficient portfolio management, or derivatives for investment purposes other than those used to gain exposure to direct issuers.

● ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The Company uses derivatives to gain exposure to issuers that remain in the investment universe following the application of the exclusionary criteria described in the above response to the question, “*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*”.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

The proportion of investments in the Company which are aligned with the EU Taxonomy is 0%. Although the EU Taxonomy provides an ambitious framework to determine the environmental sustainability of economic activities, the EU Taxonomy does not comprehensively cover all industries and sectors, or all environmental objectives. The Investment Manager uses its own methodology to determine whether investments selected for the Company are promoting environmental characteristics in accordance with the SFDR rules.

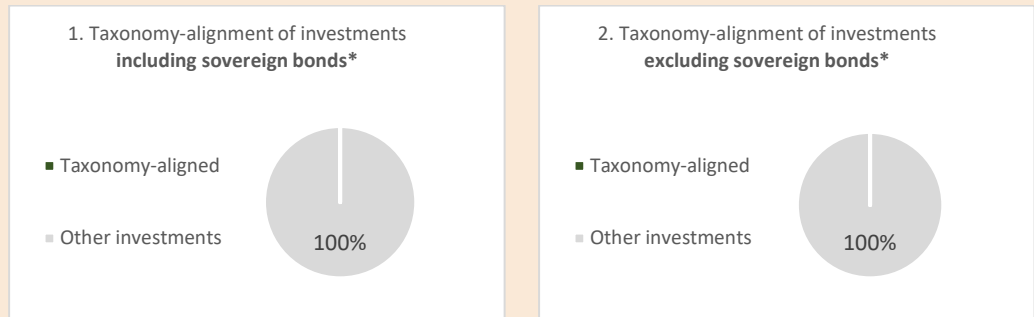


are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

Not applicable.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Other assets may include cash or cash equivalents, securitised assets, derivatives for the purposes of efficient portfolio management, or derivatives for investment purposes other than those used to gain exposure to direct issuers. No minimum environmental or social safeguards are applied to such investments.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found at <https://www.janushenderson.com/en-gb/investor/product/henderson-diversified-income-trust-plc/>

Further information as to how Janus Henderson approach ESG, including Janus Henderson’s “ESG Investment Policy”, can be found in the “About Us –Environmental, Social and Governance (ESG)” section of the website at www.janushenderson.com.

