

# Janus Henderson – Global Sustainable Equity Fund

Ethical Survey, as voted by members of the Ethical Advisers Co-Op



**Appealing**

Poor | Disappointing | Average | **Appealing** | Excellent

As voted by Ethical Adviser Co-op members. Find a specialised ethical adviser near you: [www.ethicaladviserscoop.org/find-an-adviser.html](http://www.ethicaladviserscoop.org/find-an-adviser.html)

## Fund Overview

The Janus Henderson Global Sustainable Equity Fund is an actively managed, global equity fund. It seeks to provide investors with exposure to a diversified global portfolio of companies whose products and services are considered as contributing to positive environmental or social change.

## Ethical Concerns

### Investments

- ✘ Some investments in the Fund may be problematic for certain ethical investors, such as:
  - Nike (<1%) & Adidas(<1%): while both are seen as ESG leaders in their industry, both have been scrutinised in recent years for issues related to their supply chains, human rights, and labour rights.
  - TE Connectivity(2.5%): Has some small indirect exposure to the fossil fuel industry through its supplying of sensors and switches to oil and gas mining operations. It should be noted that TE Connectivity also is involved in supporting the renewal energy market, in particular wind and solar, in a similar way to the fossil fuel industry. We note some products used in the oil & gas industry are used for leak prevention and detection, repair, and explosion prevention.

### Other concerns

- ✘ Janus Henderson do not specialise in ethical investments, but they have been present in the ethical investment space since 1991

## Good Points

- ✓ Provides a good overview of the ethical investment methodology – [LINK](#).
- ✓ Good Commitment to transparency by being a [UNPRI \(LINK\)](#) signatory but fund is not [RIAA](#) certified yet (see next page), other affiliations include;
  - UK Sustainable Investment Forum, Carbon Disclosure Project, Institutional Investors Group on Climate Change, Access to Medicine Index, European Sustainable Investment Forum, Asian Corporate Governance Association, The Investors Forum, Business Benchmark on Farm Animal Welfare, Taskforce on Climate Related Financial Disclosure, Climate Action 100+, Global Impact Investing Network, UK and Japanese Stewardship Codes.
- ✓ Good transparency of holdings (updated daily) and voting history (published quarterly), both easily accessed via the public website, see links overleaf.
- ✓ Fund shows strong engagement with companies on a range of issues, in particular engagement around supply chain issues and labour conditions with both Nike and Adidas in 2021.
- ✓ Strong record of voting for climate change and social resolutions, see link overleaf.
- ✓ Good investment in companies with positive impact on ESG related issues, e.g. Innergex Renewal Energy(1.77%) & Schneider Electric(2.18%)
- ✓ Strong exclusion screens with most being full exclusions. 5% of revenue thresholds are used where an issue cannot be completely excluded.

## Fund Overview

<b>UNPRI Signatory</b>	Yes - <a href="#">LINK</a>	
<b>Full Holdings Disclosure</b>	Yes - <a href="#">LINK</a> – Scroll down to Documents – under Daily Basket	
<b>RIAA Certification</b>	Janus Henderson is a member and assessed as a Responsible Investment Leader. At the product level, The Janus Henderson Global Sustainable Equity Fund is scheduled ~Q1 2023- <a href="#">LINK</a>	
<b>Disclosure of Voting</b>	Yes - <a href="#">LINK</a> – Scroll down to Documents – under Voting & Engagement Report	
<b>Ethical Screening Process</b>	Refer to Investment Principles - <a href="#">LINK</a>	
<b>Exclusions</b>	See Below	
<b>Materiality/Exposure Limits</b>	Alcohol	We avoid companies involved in the production and sale of alcoholic drinks
	Animal Testing	We avoid companies that use animal testing for nonmedical purposes. We allow animal testing for medical purposes only where the company employs best practices in accordance with the “3 Rs” policy of refinement, reduction, and replacement
	Armaments	We avoid companies involved in the direct production or sale of weapons. We will not invest in companies involved in the direct production of land mines, cluster munitions, biological/chemical weapons, and nuclear weapons.
	Chemicals of Concern	We avoid companies that manufacture or sell chemicals or products containing chemicals subject to bans or severe restrictions in major markets around the world. This includes ozone-depleting substances, microbeads, persistent organic pollutants, and the manufacture of any other substances banned or restricted under international conventions
	Contentious Industries	We avoid companies that generate high carbon emissions or exploit non-renewable resources, either directly or in their supply chain, unless the company can demonstrate an outstandingly positive response toward environmental and social concerns. Our definition of contentious industries includes cement, fishing, mining, palm oil and timber.
	Fossil Fuel Extraction & Refining	We avoid companies engaged in the extraction and refining of coal, oil and gas.
	Fossil Fuel Power Generation	We avoid companies engaged in fossil fuel power generation. Investment in companies generating power from natural gas may be allowed in cases where the company’s strategy involves a transition to renewable energy power generation
	Fur	We avoid companies involved in the sale or manufacture of animal fur products.
	Gambling	We avoid companies with activity related to gambling.
	Genetic Engineering	We avoid companies involved in the deliberate release of genetically modified organisms (GMO; e.g. animals or plants). Investment in companies where genetic technologies are used for medical or industrial applications may be acceptable, providing high environmental and social standards can be demonstrated. Companies that use or sell products that make use of such technologies may be acceptable provided GMO ingredients are clearly labelled.
Meat & Dairy	We avoid any companies involved in the production or processing of meat/poultry or dairy products or eggs, or whose primary activity involves their sale	

*This survey, and the information contained in this document, consider **ethics only** and do not include ANY analysis of fees, performance of financial suitability. It is **general advice only**. The ethical score is subjective and benchmarked to each adviser’s average ethical client. Your ethics may differ. We recommend you speak to an experienced ethical financial adviser for personalised advice before making any decisions.*



Intensive Farming	We avoid companies involved in intensive farming operations unless the company can demonstrate an outstandingly positive response toward environmental and social concerns.
Nuclear Power	We avoid companies that are involved in the uranium fuel cycle, treat radioactive waste or supply specialist nuclear related equipment or services for constructing or running nuclear plant or facilities
Pornography	We avoid companies that publish, print, or distribute newspapers or magazines or distribute films or videos classed as pornographic material.
Tobacco	We avoid companies that engage in activities related to the production and sale of tobacco products.



## About the 'Ethical Survey'

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### About the Ethical Advisers Co-Op

The Ethical Advisers Co-op is a group of 35 financial advisers who are passionate about ethics and finance. The Co-op was established as a not-for-profit over 10 years ago to enable likeminded financial advisers to work together to represent the voice of the consumer. We work to shift the super and investment industry into being more ethically aligned with their clients' objectives. The Co-op's nationwide membership of ethical financial advisers help over 3,300 Australians make financial decisions and invest in line with their ethical values.

### How the Leaf-System Works

The ethical rating is voted by Australian financial advisers who specialise in ethical investments (Co-op members). The advisers assess if fund ethics suit their average ethical client, and if it matches with the average client's expectations and objectives. The advisers consider how successful the fund is at; 1) removing industries and stocks harmful to the environment and society 2) including companies with environmental or social benefits, and 3) providing evidence of actions from the fund which benefit society and/or the environment. The quality of information the fund provides on its ethical policies, companies invested in, and proxy voting is important in assessing if a fund is as ethical as claimed. The final rating is an average of these votes.

Financial advisers are voluntarily participating to help ethical consumers gain a quick understanding of how the clients of a group of industry professionals view the ethics of each fund. The Co-op and the advisers do not receive any form of remuneration or reward for participating.

### Further Research

#### *Does your fund walk the talk?*

The Australasian Centre for Corporate Responsibility (ACCR) – a not-for-profit shareholder advocacy organisation – pushes for transparency around whether your super fund 'walks the talk' on issues such as climate and human rights. You can find details on your super fund [here](#).

#### *Is your fund investing in fossil fuels?*

Market Forces is a not-for-profit delivering transparency on fossil fuel lending, insuring and investing within super funds, banks and insurance companies. You can see how exposed your super fund, bank or insurance company is to the fossil fuel industry [here](#).

#### *If the fund is certified by the Responsible Investment Association Australasia (RIAA)*

You can find more ethical and investment information for certified funds [here](#).

#### *More information on this fund*

For exact details of the fund's claimed ethics, costs and legal details see the fund's Product Disclosure Statement - available on their website.

*Vote based on information last updated 15 February 2023*