Janus Henderson INVESTORS

2023

ESG COMPANY ENGAGEMENT & VOTING REVIEW

Environmental, Social & Governance (ESG)

Introduction

Janus Henderson Investors is a leading global active investment manager committed to helping our clients achieve their long-term financial goals. We help clients define and achieve superior financial outcomes through differentiated insights, disciplined investments, and world-class service. We seek to be at the forefront of anticipating and adapting to change to deliver long-term, market-leading, risk-adjusted returns. That commitment includes a focus on authentically and transparently managing our business and clients' assets in support of long-term sustainable business practices.

At Janus Henderson, we embody the principle that responsibility begins within our own walls. With unwavering dedication, we strive to amplify our corporate responsibility efforts and enhance our Responsible Investment framework. Our goal is to empower our clients with premier Environmental, Social, and Governance (ESG) insights, analytics, and resources. This report serves as a comprehensive account of our ESG engagement initiatives throughout 2023, meticulously documented on our internal research platform, alongside a detailed summary of our proxy voting activities.

Contained within these pages are select examples of our voting actions, reflecting the unified stance taken across all portfolios under Janus Henderson's direct voting authority. It is important to note that our subsidiaries' activities fall outside the scope of this report's analysis.

The year 2023 marks a significant milestone in our journey, witnessing the integration of financially material ESG considerations into our investment methodology across 84% of our firm-wide Assets Under Management (AUM). This achievement underscores our commitment to a robust risk and return evaluation process, aimed at securing superior risk-adjusted outcomes for our clientele.

Our engagement with companies is twofold: for insight and for action. Seeking insight allows us to delve deeper into understanding a company's ESG challenges and strategies, enriching our research and investment decision-making process. Our action-driven engagements, on the other hand, are motivated by the identification of unaddressed ESG risks, prompting us to advocate for specific, value-enhancing measures that favor our clients' long-term financial interests.

In addition to our direct engagements, we are dedicated to fostering knowledge and stimulating discussions on ESG matters among our clients and the broader industry. This year alone, we have produced 28 thought leadership pieces and educational content on various ESG themes. Furthermore, our commitment to addressing the critical issues of nature loss and biodiversity decline has led us to become a founding participant of Nature Action 100. This pioneering investor-led initiative reflects our recognition of the financial significance of environmental conservation efforts, as they influence cash flows, valuations, and the cost of capital. We also actively participate in shaping ESG policies and regulations by contributing to consultations when opportunities arise.

This report is a testament to our ongoing efforts to embody and promote responsible investment practices, not only as a firm but as stewards of our clients' trust and investments. We invite you to explore the findings and insights that underscore our dedication to advancing ESG principles and practices.

Michelle Dunstan

Michelle Dunstan
Chief Responsibility Officer

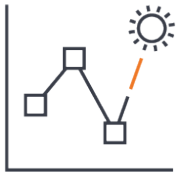
Our Approach to Responsible Investing

Companies and society face an array of challenges in the 21st century. Climate change, pollution and other environmental crises are compounding existing social issues like access to food, water, and healthcare. The rise of big tech and artificial intelligence could unlock enormous benefits to humanity but could also threaten jobs, cybersecurity, and data privacy.

All of these are environmental, social, and governance issues. They are complex, often interlinked, and can pose long-term financially material risks – and opportunities – for investors.

CORPORATE RESPONSIBILITY

ESG INTEGRATION



JHI BRIGHTER FUTURE FUNDS

- Responsibility starts at home and Janus Henderson is committed to responsibility in our own Corporate Responsibility policies and practices.
- Fundamental to our Responsibility approach is integrating financially material ESG factors throughout our investment decision-making process[1]. This helps us make more informed investment decisions and enables us to fulfil our fiduciary duty to our clients.
- For clients who want to invest for a purpose beyond risk and return, we have and continue to build our suite of ESG-focused strategies that have dual objectives – an explicit ESG objective, alongside a financial objective.

Stewardship is an integral part of Janus Henderson's long-term, active approach to investment management. Strong ownership practices through engagement with issuers and voting proxies can help protect and enhance long-term shareholder and bondholder value. We support several stewardship codes, such as the UK and Japanese stewardship codes, and broader initiatives around the world including the Principles for Responsible Investment (PRI).

Our investment teams engage with companies to improve performance on material sustainability issues, with a focus on our three core engagement themes that represent major areas of financial risk or opportunity and help drive long-term financial success: climate change; DEI; and corporate governance.

We are pleased that the PRI has recognised the significant progress we've made in advancing our responsible investment capabilities over the last three years, and particularly in 2023.[2]

2023 Highlights

- We recorded more than **1,000 ESG company engagements** in 2023 where ESG topics were part of the discussion
- We voted at approximately **6,000 meeting** with over **64,000 items**
- We continue to be a signatory of the Financial Reporting Council's UK Stewardship Code

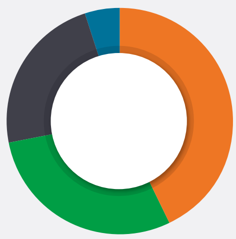
[1] We integrate ESG factors in most of our actively managed strategies.
[2] We have published our Transparency Report and Assessment report.

Engagement Summary

As a responsible steward of capital, Janus Henderson aims to maximise long-term value for our investors. When we engage and vote on ESG issues, we always link a company's management of these issues back to the financial impact on the company - its cashflows, valuation,or cost of capital. Our focus is to encourage issuers to successfully address and manage material risks and opportunities, thus supporting their future financial success. We are committed to engaging and voting proxies as ways of enhancing value, including by encouraging issuers to mitigate material ESG risks as appropriate. The Responsible Investment and Governance team supports the investment teams on relevant ESG issues and developing stewardship themes. We expect our investment teams to engage with the issuers they invest in to improve performance on material sustainability issues, with a particular focus on our three core engagement themes: climate change, diversity, equity & inclusion, and corporate governance.

ENVIRONMENTAL	SOCIAL	GOVERNANCE
Climate Change	Human Capital	Capital Allocation & Strategy
Land Use & Biodiversity	Workforce Diversity & Equality	Management Remuneration
Sustainable Design & Products	Supply Chain/ Human Rights	Board Independence & Composition
Recycling/Plastics/ Packaging/Waste	Communities	Shareholder Rights & Returns
Water	Data Security & Privacy	Audit, Accounting & Risk
Pollution Prevention & Control	Consumer & Products	Board Succession Planning
Real Estate Sustainability	Access to Medicine	Management Change
Green Bonds/ Green Financing/ Green Revenue	Food, Nutrition & Health	Business Ethics, Culture & Purpose

2023 COMPANY ENGAGEMENTS BY TYPE



Stewardship is an integral and natural part of Janus Henderson's long-term, active approach to investment management. Strong ownership practices, such as management engagement can help protect and enhance long-term shareholder and bondholder value, and proxy voting practices, can also influence long-term shareholder value. Janus Henderson entities support a number of stewardship codes, such as the UK and Japan Stewardship Codes, and broader initiatives around the world including the UN-supported Principles for Responsible Investment (PRI). We have published our latest PRI Public **Transparency** and **Assessment** reports.

Through close collaboration, we also significantly increased our engagement with issuers; 2023 saw over 1,000 documented ESG engagements across a variety of topics. We also voted at almost 6,000 meetings with over 64,000 items.

Janus Henderson first exercises its stewardship responsibilities through its investment diligence and selection process. We invest in issuers which we believe are positioned for financial success based on a holistic assessment of their characteristics. After we invest in a company or other issuer, the primary route for engagement on stewardship-related issues is the regular meetings our portfolio managers and analysts have with that issuer.

Below we summarise the main engagements our investment teams have conducted with the support of our Responsible Investment team across an array of themes in 2023.

Our Engagement Approach

In general, our investment teams prefer an engagement-focused approach to a firm-level exclusion or divestment policy, both in sectors with higher environmental risk and for issuers that where we have identified financially material sustainability, climate, or ESG risks. We believe this approach is best for maximising risk-adjusted returns for our clients and for driving positive change at our portfolio companies. Most products and services offered by an issuer play necessary roles for the global economy – including sectors with higher carbon emissions such as energy, industrials, materials, and utilities. Rather than ignoring issuers in these sectors through automatic exclusion or divestment, engagement leads to two benefits.

First, our investment teams can engage for insight – the knowledge gained through engagements with issuers can be leveraged in the investment process to better inform our research, modelling, and investment decisions. Engaging for insight helps us assess the magnitude of any potential risk, how well an issuer is managing that risk, and the potential impact on that issuer's financial outcomes. Second, teams can engage for action. Where an issuer may be ignoring or not managing a financially material sustainability, climate or ESG risk, teams can engage for action – to encourage that issuer to adopt policies or practices that will address that risk and better position it for the future.

Discussions with the issuer's management or board of directors directly link the sustainability, climate, or ESG consideration to why we believe addressing it makes them a better company, which we think should lead to improved cash flows, valuations, cost or capital, or credit ratings. Our investment teams often partner with our central Responsibility Team on engagements. The professionals on our Responsibility Team are both engagement and ESG subject matter experts who can assist in identifying and researching the engagement topics and facilitating the engagements themselves.

We have three core themes that all our investment teams engage companies on:

- Climate change
- Diversity, equity & inclusion
- Corporate governance

In addition to these, we have a wide range of engagement themes and topics chosen by individual investment teams or the Responsible Investment and Governance Team, which is part of the broader Responsibility team. These range from longstanding engagement themes such as access to medicine and human capital and culture, through to newer topics such as biodiversity and sustainable design.

Below we summarise the main engagements our investment teams have conducted with the support of our Responsible Investment team across an array of themes in 2023.

Environmental Engagements

Key environmental themes discussed with investee companies in 2023 included climate change, biodiversity, water, and the circular economy. Inevitably these topics overlap. Further, they interconnect with other environmental topics and social-related issues such as inequality. A changing climate modifies both environmental habitats and precipitation patterns, impacting biodiversity and water availability respectively. Likewise, modifying land use, which is a driver of biodiversity loss, also impacts greenhouse gas (GHG) emissions and water hydrology, thus impacting climate change and water availability. Meanwhile, viewing consumption and pollution from a circular economy perspective reveals the potential to reduce strain on climate, biodiversity, and water-related issues. All of these issues are increasingly impacting issuers: their strategies, business models, their capital spending plans, their cost structures, their cost of capital, and their valuation. As a responsible investor, we strive to both analyse and incorporate these financially material factors in our research and investment processes, and also into our stewardship activities.

Biodiversity

Biodiversity was an increasingly prominent engagement topic in 2023. A key driver was the publishment of the final recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) setting out a framework for nature-related risk management and disclosure. Biodiversity as an engagement topic is still at an embryonic stage, and this was part of our motivation to join two new collaborative initiatives – the UN Principles for Responsible Investment's Nature Reference Group and Nature Action 100. These initiatives aim to enhance investors capacity to address financially material nature and biodiversity loss and to facilitate engagement with key corporates.

Biodiversity's prominence as a topic of interest in the investment community stems from society and business dependency on ecosystem services.

Ecosystem services are generally thought of as services that benefit people and are provided for free by nature. Some examples include water purification, food production, and climate mitigation. All businesses are hugely reliant on these ecosystem services, and their increasing degradation poses serious financial risks to companies and their investors.

Biodiversity, defined as the variety of all plant and animal life on earth, is an integral component of ecosystems. Healthy ecosystems are key in maintaining ecosystem services. The generally accepted key drivers of biodiversity loss are land use and sea use changes, direct exploitation of natural assets, climate change, pollution, and invasive species.

Due to the complexity of biodiversity, its regional vs global nature, and the present lack of high-quality data, our engagement approach, like most investors, will continually evolve on this topic. At present our approach is two-fold. One aspect is to continue sub-topic focused engagements on relevant topics in areas such as deforestation, water, and waste. The other is the development of an engagement plan that focuses on assessing the companies' understanding of the topic while simultaneously encouraging them to develop localized assessments that can be translated into understanding a company's transition, physical, and regulatory risk.

Climate change

In 2023, the Earth's average global temperature exceeded 1.5˚C for a twelve-month period for the first time since records began, with the physical impact of a changing climate impacting on businesses and society more visibly than ever before. Consequentially, engagement on climate change is now ubiquitous for companies and investors alike. Disclosure of GHG emissions and reduction targets by companies has grown to become the norm rather than the exception. Even disclosure of scope 3 emissions and reduction targets is becoming commonplace.

Improvements in corporate reporting are increasingly being driven by regulation. For example, in 2023, the European Union's (EU) Corporate Sustainability Reporting Directive (CSRD) began requiring large companies to disclose scope 1, 2, and 3 emissions as will California's Climate Corporate Data Accountability Act passed in 2023. Engagement on disclosure and target setting was a frequent topic in 2023. We consider effective management of GHG emissions to be a material topic for shareholder concern, especially given its regulatory focus.

As more companies set emissions reduction targets, an increasing focus is being placed on how they aim to achieve them. Our engagement work frequently focused on analysis of transition plans for companies that have set an emissions reduction target. Quality transition plans provide meaningful details of how a company plans to achieve their desired reduction target. Analysing the transition plans aids in determining the likelihood of success in a company achieving their targets.

As many governments around the world have committed to accelerating the global energy transition to renewables, the role of fossil fuel companies in that transition has come into question. During 2023 we conducted research and engagement to understand how oil & gas companies are responding. The engagements were predominately for insight as there is no single approach for how companies in the sector will operate. Some may shift their production away from fossil fuels towards renewable sources while others may adopt a different strategic path. Such choices will be heavily influenced by government policy in key markets. Further, these contrasting strategies present dramatically different future risk/return profiles for investors.

We engaged with oil & gas companies held across various JHI investment teams. The engagements were led by an environmental expert on our central ESG team in collaboration with relevant investment teams. In these meetings, with the Chief Sustainability Officer or equivalent, we focused on better understanding each company's energy transition approach, current emissions and reduction targets, future plans and governance.

Overall, we found the engagements useful in assessing the long-term transition plans of investee companies as they provided unique insight into their plans and allowed us to differentiate across the sector more clearly. Plans varied significantly, especially between the US and Europe, with some stark differences in their approach to transparency on this issue.

Methane emissions by oil and gas companies

There has been growing recognition of the significance of methane leakage from oil & gas company operations as a major contributor to GHG emissions. This issue is relevant to investors because when oil & gas companies leak methane into the atmosphere, they are wasting a valuable energy opportunity that could be kept in the pipes and sold. In addition, a company with relatively high leakage rates is more exposed to current and future fines and taxes for emissions. Further, if oil & gas companies are identifying themselves as responsible operators, promoting gas/LNG as a transition fuel with half the emissions of coal – credibility rests on demonstrating much lower methane leakage than has historically been the case.

Over the past 18 months, we have had a longstanding engagement programme with three oil & gas companies. We started this engagement in 2022 to understand each company's approach to tackling methane emissions, where the problem areas are: the level of visibility the companies have on this issue, the barriers to reaching zero-flaring practices and eliminating fugitive methane emissions completely. In particular, we have pushed companies to give investors more visibility of methane pollution from non-operated assets (i.e. equity stakes/ non-operated joint ventures) and to monitor overall progress on methane emissions performance.

Engagement has taken the form of calls, follow-up emails and meetings. We also spoke with specialist non-governmental organisations on the topic of methane to get a wider stakeholder perspective. We held follow-up calls with each company in 2023 to monitor progress being made against commitments - whether methane disclosure had improved, and flaring instances were being addressed - as we believe this potentially has material financial implications for the companies involved.

We have seen progress from each company on this topic. All three companies with whom we engaged are improving disclosure and addressing this issue across their global assets. Two of the three companies have subsequently provided investors with a breakdown of not only the methane released from operated assets, but also methane associated with equity stakes in non-operated assets. One company's investor relations team highlighted on a recent call that our engagements are part of what drove the company's decision to increase disclosure. We are pleased to see this progress and will continue to monitor methane performance across all companies. Greater transparency is the first step forward.

Water

Water security has long been a critical global challenge. The worsening effects of climate change are expected to put additional strain on global water supplies. If the current trends continue, by 2030, the UN predicts a 40% global shortfall in freshwater where demand outstrips supply. Sector research and engagement on the topic of water security was conducted over the year, focusing on the alcoholic beverage, mining, and semiconductor sectors as well as data centres. In October 2023, JHI hosted a client event titled 'Uncharted Waters', where the output from this engagement with water-intensive sectors was presented to clients. The conference was a collaborative effort with global non-profit disclosure platform CDP (formerly Carbon Disclosure Project) and Hong Kong-based non-profit initiative China Water Risk, where experts from both groups shared insights on the causes, impacts, and evolution of the global water crisis.

Water risk – alcoholic beverages

Over 2023 we engaged with global European brewing and spirits companies who have been leading in addressing water security across their business operations. For our research and engagement, we leveraged company data from CDP Water, which is a useful tool to compare key data points such as river basin exposure, withdrawal volumes and year-on-year water-related capex. This data drove deeper discussions with companies on water risk mitigation. Some companies we spoke to are quite advanced in improving operational efficiencies - one best-in-class example is the Danish plant of a European company that recycles 90% of all water, with an estimated €2 million cost savings per year. We have also seen forward-thinking companies start to address their scope 3 water footprint by partnering with farmers on the ground or investing in innovative solutions like drought-resistant crops. As water is a diminishing resource that poses a systemic risk to the entire beverage industry, no one company can address this alone. Collective action is needed through initiatives like the CEO Water Mandate, which is targeting the top 100 water-stressed river basins.

Water risk - mining

Mining is the second most water intensive industry after utilities. Due to various geological reasons, there is a high concentration of ores in areas of high-water stress. Chile, for example, accounts for around a third of global copper supply and has been subject to persistent drought. Mining operators in Chile have already faced significant material financial impacts concerning reduced output and increased costs. Operators who are effectively addressing this risk have already had to invest in capex-heavy solutions.

We engaged with five mining companies in 2023. Water use in mining is a highly nuanced and site-specific issue, so having conversations with the companies is highly beneficial. The discussions provided us with further clarity on the company's overall approach to water risk management, how they are addressing the issue at high-risk assets, and how effectively they are securing the future of their operations.

We have gained a better idea about what best practice looks like and this will shape our future conversations with mining operators. These engagements also highlighted opportunities and risks associated with desalination, a risk mitigation solution to address water scarcity that involves removing salts from seawater.

Water risk - semiconductor manufacturing

Semiconductor manufacturing ranks as one of the more water-intensive industries. About half of all manufacturing steps requiring water for either cleaning or cooling. Much of the industry is clustered in Taiwan which has seen droughts and water shortages in recent years leading to rising water costs. Moreover, demand for semiconductors is expected to increase with use cases from advanced computing to automotive electronics having fast secular growth rates. A focus on improving water management practices along with robust governance should better position companies for risks associated with rising costs and increased water scarcity.

In 2023, we conducted engagements with five companies involved in semiconductor and semiconductor capital equipment manufacturing across the US, Europe, and Asia Pacific regions. We discussed their practices around managing water consumption, recycling and reuse rates, and their progress setting targets to improve performance in these areas. We also sought insight into companies' governance around water-related risks such as the use of internal water pricing and the extent to which water scarcity risks were considered in the siting and investment process for new facilities.

Circular economy

The premise of a circular economy is to eliminate waste and extraction of new resources by instead re-circulating a product's components at end-of-use into another product thereby extending the life of the resources used. Circular economy principles are built around two ideas. One is that virgin stocks of many resources like minerals and fossil fuels will not last indefinitely and the extraction of those materials can have profound negative environmental and health impacts. The other is that thoughtful product design, use of resources in manufacturing, and management of products at end-of-use can reduce the environmental and health impacts of those products. Implementation of circular economy best practices encompasses many topics such as recycling, waste reduction, increased lifespan of products, packaging, and sustainable sourcing. Janus Henderson has had ongoing engagements with companies on these topics for many years and these continued through 2023.

Circular economy principles are very relevant to efforts to reduce environmental impact via biodiversity, climate change, and water. Engagements on biodiversity, climate change, and water often focus on negative impacts to each, whereas utilising a circular economy perspective focuses on the benefits that can be gained for the business, environment, and society. We see significant opportunities for companies beginning to embrace circular economy principles and translating this into greater efficiency and less waste.

Housebuilders case study

Buildings are currently responsible for 30-40% of global carbon emissions. This includes both the operational carbon involved in running and maintaining buildings, and the embodied or 'whole of life' carbon of the goods and services used in construction.

Regulation has therefore increasingly focused on reducing emissions from the built environment. One sector specifically impacted by this push in the UK is homebuilders. The 2025 Future Homes Standard (FHS) requires UK companies to make energy efficiency savings of 75-80% and restricts the installation of fossil fuel boilers in new homes. Housebuilders have cited an estimated extra £4,000-£12,000 per unit for building to FHS. Whilst regulation has largely focused on operational emissions, embodied carbon will become an increasingly material issue and will account for the largest proportion of emissions produced by homes by 2030.

We spoke with four UK housebuilders to identify leaders and laggards, and to understand which companies are better placed to meet upcoming FHS regulation. By looking at which companies were addressing embodied carbon specifically, we could assess who was the most advanced in their sustainability approach. The engagement illustrated that environmental issues are material to housebuilders, and they also face increasing costs for meeting biodiversity regulation. We are planning to engage again with two of the housebuilders again in 2024.

Deforestation

Forests are an integral part of the environment. They play a crucial role in mitigating climate change, protecting biodiversity, and supporting the livelihoods of billions of people and the health of our planet. Yet forests are disappearing at an alarming rate, largely driven by agricultural activities such as farming and ranching. Deforestation is now the second leading cause of climate change (just behind the burning of fossil fuels) and accounts for approximately 20% of global GHG emissions. The precious nature of the forest ecosystem and its dire outlook have prompted countries and international organisations to implement laws and regulations to limit deforestation and forest degradation. One such prominent example is the EU Deforestation Regulation (EUDR), which bans the import of seven key deforestation-related commodities and their derived products if they are linked to deforestation activities. Under EUDR, which comes into force in 2025, fines of up to 4% of a company's total EU revenue can be applied as well as other penalties including confiscation of products and temporary exclusion from public procurement processes and funding.

Given the material financial and environmental impact of the issue, it is important for investors to engage with relevant companies on their exposure to deforestation-linked commodities and any associated reputational, legal, business, and financial risks. In 2023, we started engaging with consumer goods companies that are heavily dependent on EUDR-covered commodities. These engagements centred around companies' assessment and management of deforestation-related risks with a specific focus on the level of traceability across their supply chains. We encouraged companies to increase transparency around their progress on deforestation-related targets and the effectiveness of their implementation plans. Overall, through these engagements, we were able to gain better insights into companies practices and policies around achieving a deforestation-free supply chain, their investments into related programmes and technologies, as well as their level of preparedness for the EUDR and other regulations.

Social Engagements

Diversity, equity & inclusion

Diversity, equity and inclusion (DE&I) continues to be an important engagement theme. Workplace diversity is increasingly valued as a material contributor to better decision making and company success. Strong DE&I initiatives can be indicative of good corporate culture and supportive of a company's ability to attract and retain top talent. Companies that fail to make progress in this area may experience challenges across recruitment and productivity in the long term as well as facing enhanced reputational risk.

The type of discussions we had with companies on DE&I was varied. A mixture of proactive company specific or thematic engagements with companies that face similar issues or reactive engagements where concerns have been identified. Increasingly, we are leveraging a wider range of sources to assess company DE&I to inform investee company engagements on workforce culture. This includes different stakeholder viewpoints from sources such as employee review websites.

One area of DE&I we have focused on is the gender pay gap. We consider enhanced gender pay gap reporting an important tool to stimulate change and improve transparency over the successful output of company DE&I efforts. We undertook a thematic engagement with UK companies to understand how they are addressing the root causes of the gender pay gap. In the UK, employers with 250 or more employees are required to report their gender pay gap data annually. Having reviewed their gender pay reports, we decided to engage with three companies that operate in sectors where human capital issues are significant, and gender pay gaps have historically been observed.

As underrepresentation of women in senior positions is a key cause of the gender pay gap, we discussed the various initiatives that companies are undertaking to address this issue. Initiatives include addressing retention through inclusive practices such as flexible working and enhancing diversity in the talent pipeline through outreach and mentoring schemes. We also discussed broader success measures and how investors can best monitor progress over time.

Mining is a sector we continue to monitor on DE&I-related issues. In 2022, a prominent mining company released an independent report of its workplace culture. It documented numerous accounts of sexual harassment and assault, with the company providing a framework for action. The Western Australian Parliamentary inquiry into sexual harassment into the 'Fly in, Fly Out' (FIFO) mining industry, 'Enough is Enough', also brought to light the prevalence of incidents of serious misconduct and mismanagement of cases.

We initially emailed several companies with exposure to FIFO mining operations to understand what steps they had taken to address the issue. We also provided feedback flagging areas for potential improvement. In 2023, we continued to monitor company updates on the prevalence of sexual harassment and progress on their implementation plans. We also joined two company calls that discussed the topic and are planning to follow up with engagements later in 2024.

Access to medicine

JHI is a longstanding signatory of the Access to Medicine Index (ATMI). This group is recognised as the leading independent research foundation analysing the availability and affordability of pharmaceuticals in low- and middle-income countries. Using a combination of data, research insights, and report cards to showcase company performance the group leverages a network of stakeholders including investors, policymakers, and the public.

For the past 3-4 years JHI has been the 'lead investor' engaging with a European pharmaceutical company on their access strategy. We are pleased to see the company's performance improve over that period, with it climbing to a top 3 spot on the index with a strong access pipeline. In 2023, we asked to be allocated to a US-based company where we are a longstanding shareholder. We are now leading an engagement with a large US pharmaceutical company which is one of last remaining companies to actively participate in the ATMI. We held a few calls with the company over the year discussing the value of the ATMI, the expansion of patented medicines on the World Health Organization's (WHO) List of Essential Medicines, and for more late-stage research and development projects to have access plans.

We support the ATMI as it encourages a 'race to the top' – identifying top performers who are finding innovative ways to improve access and at the same time enhancing business performance by developing new market opportunities. This has subsequently triggered other companies to adopt similar practices and keeps raising the bar for what good company practice looks like. Further, it is the only ESG benchmark for investors to easily compare pharmaceutical companies on the topic of access to medicine.

Human rights in the supply chain

Human rights within supply chains continued to be an area of engagement focus throughout 2023. Some of these engagements focused on exposure to allegations of forced labour in supply chains. US companies have come under the microscope following legal restrictions on goods produced in markets considered high risk. Implementation of these laws requires companies to have documentation tracking their entire production process from raw material to finished goods shipment. Engagements have included companies in the apparel sectors as well as the solar supply chain.

In 2023, Chinese solar companies were accused by the US of using forced labour in their supply chain. We engaged with companies to understand any exposure and human rights policies in place that follow international standards. The focus of the discussions was also on traceability technologies and evidence to prove compliance. These companies are at the forefront of geopolitical tensions between China and the US and, therefore, companies need to have strong due diligence in place.

Responsible AI

As businesses increase the use of AI tools in their operations, responsible AI practices will be crucial to maintaining this growth and in helping them contend with the potential ethical and socio-technical repercussions that may arise.

While we are still in the early stages of the evolution of responsible AI policies and frameworks, the Responsible Investment & Governance team has developed a list of engagement questions through discussions with investment desks and launched a series of engagements focusing on AI ethics and practices including several technology companies in the latter half of 2023.

The engagement topics included AI regulatory developments, data privacy, transparency, accountability, the potential impact on employment, and the risks of AI bias.

CASE STUDY:

Proactive Engagement on Responsible AI within Portfolio Companies

In Q4 we launched a series of engagements focusing on responsible AI across 12 technology companies. These engagements focused on understanding their AI governance frameworks, risk mitigation strategies, and broader ethical considerations. We encouraged the companies to be more transparent on their responsible AI strategy and to participate in industry collaborations to foster a broader understanding of AI's implications.

One of these engagements involved a large Chinese multinational technology company specialising in Internet-related services and products. We engaged with the company's management on their pursuit of responsible AI in search engine algorithms, natural language processing, speech recognition, computer vision and augmented reality. We found this pro-active engagement helped to foster a stronger relationship with this portfolio company, demonstrating our commitment to their long-term success and responsible innovation.

We will continue to prioritise responsible AI engagement as a core component of our responsibility strategy. We believe that by working collaboratively with portfolio companies, we can contribute to the development and deployment of AI that benefits both businesses and society, while mitigating potential risks.

Governance Engagements

Governance plays a crucial role in our fundamental analysis, as strong corporate governance fosters long-term decision-making and enhances investment returns. In 2023, we actively engaged with the management teams and board members of companies on a range of governance issues. These included capital allocation and strategy, executive remuneration, board structure and composition, planning for leadership succession, and how the Board monitors ESG-related risks and opportunities.

Approach to governance engagements

As responsible stewards of capital, we see it as our fiduciary duty to advocate for robust corporate governance within the companies we invest in. Over time, our investment teams naturally form long-lasting relationships with the management of these companies. If issues regarding a company's practices or performance emerge, we aim to use these positive relationships to initiate dialogue with company management, express our viewpoints by participating in engagement activities and/or voting on management and shareholder proposals.

The extent to which we intensify our engagement efforts is tailored to the specific situation of each company. Although we consider voting as an essential tool for exercising our shareholder rights and responsibilities, we believe that direct engagement can be a more immediate and effective strategy for instigating change. The approach we take to address our governance concerns is heavily influenced by the norms of the local market. In regions such as the UK, Europe, and the US, we frequently communicate with the board chair and independent directors if there are issues regarding management performance and/or strategic direction. Additionally, we have participated in collaborative engagements through the UK Investor Forum and the Asian Corporate Governance Association to discuss governance issues with certain companies.

Chair meetings

In 2023, our engagement with the board leadership of various UK and European companies continued, either through direct meetings or those organised by industry groups. Our discussions aimed to gain a deeper understanding of board composition, corporate strategy, succession planning, and how the board manages financially significant ESG risks. Interacting directly with the chairpersons provided valuable insights into the dynamics and relationships within the board, the board's role in either safeguarding or generating value, and the level of the board's activity and involvement. Overall, our experiences in engaging with the chairs of portfolio companies have been positive and constructive.

CASE STUDY:

Thematic engagement: Meetings with the Chair of UK water utility companies

In late 2021 the UK Environmental Agency (EA) and Ofwat (the water regulator) announced separate major investigations into potential widespread non-compliance by water and sewerage companies at wastewater treatment works. Water companies have been accused of failing to comply with their regulatory requirements around effective measurement and control of sewage discharges to rivers. During 2022, we engaged with management and boards of the UK water utilities to review their performance and the steps being taken to measure and limit sewage discharges as well as broader environmental performance issues. However, the operational shortcomings of the UK water sector have been persistent in recent years. This prompted us to join a collaborative engagement organised by the Investor Forum, a UK focused investor stewardship initiative.

Through this group, the central Responsible Investment and Governance team in collaboration with equity and fixed income investment teams met with chairs of two UK-based water utilities through the UK Investor Forum. The objective of these meetings was to foster open dialogue between equity and debt investors and the company. The aim was to strengthen the voice of individual investors, voice our dissatisfaction with the industry's direction, and explore new initiatives to drive positive change in the UK water sector.

Discussion with the chairs was focused on understanding each company's environmental performance, board oversight, management capability, investment, and operational turnaround plan.

Following the interactions with these companies, our investment teams received good insight into operational environment in the UK water sector. We plan to continue engaging in meaningful collaborative efforts with the water industry and anticipate reviewing updated strategies after Ofwat's preliminary decision in the spring of 2024.

Capital allocation and strategy

The current economic climate, characterised by high interest rates, inflation, and geopolitical instability, has prompted numerous companies to reevaluate their strategic direction and how they allocate their capital. Additionally, businesses have been compelled to assess their long-term strategies and capital distribution approaches, considering the potential risks and opportunities brought about by artificial intelligence, climate change and changing consumer behaviour. We have actively communicated with our portfolio companies to review their strategic plans, which play a crucial role in determining their long-term success and any adjustments made in response to these challenges. Discussions were also held with companies that are not performing as expected and are attracting the attention of activist investors.

CASE STUDY:

Acquisition by a US industrial company

A US industrials company announced a proposed acquisition that we considered to be extremely value destructive. We also had concerns about the strategic and financial rationale for the deal, as well as the timing and the structure. We felt that potential benefits from a merger such as real estate and technology synergies did not justify the risk associated with it. We believed that the proposed acquisition would be a distraction from the core strategy as the acquirer was targeting a company that had been losing market share. We also felt that the proposed acquisition may put the company at higher risk given the increased leverage that would result from the transaction.

We engaged with the company and wrote to the board expressing our concerns over the proposed transaction. We provided extensive information to support our concerns. Escalation included voting against board recommendations.

We voted against the proposed acquisition. While the overall level of opposition was substantial, the acquisition proposal was passed by a narrow majority.

CASE STUDY:

Board role in a takeover situation

We engaged with the target company given our belief that the acquisition price from a prospective private equity firm buyer significantly undervalued the company's potential.

Upon receipt of a takeover offer from the private equity firm we, as shareholders of the target company, expressed concern to the management team about the bid price. However, the board and management team did not take any action and continued to recommend the offer to shareholders. As a result, we once again reiterated our concern about the bid price through the UK Investor Forum's collective engagement framework. We believed that the bid price was not fully reflective of the long-term value given a period of weak share price performance following Covid-19 and conflict in Ukraine.

Pursuant to the Investor Forum letter, individual discussions were held with the chair of the board to review our concerns. Subsequently, the board renegotiated the offer price with the private equity firm, and this concluded in a 12% higher bid price for the shareholders.

Management remuneration

Executive remuneration remained the most engaged governance issue in 2023, particularly because many companies were set to renew their remuneration policies the following year. We engaged in discussions about this topic in various ways. Often, we examined the proposed remuneration policies and shared our written feedback with the portfolio companies, in coordination with our investment teams. This process led to the development of stronger and more transparent remuneration policies, which we subsequently endorsed at their next annual general meetings (AGM). Additionally, we engaged in dialogues with the chairs of remuneration committees in the lead-up to the companies' AGMs.

Board independence and composition

We hold the view that the board's performance is vital for a company's financial performance and for safeguarding the interests of its stakeholders. Therefore, we stress the importance of having an adequate number of independent directors who are devoid of any conflicts of interest, to ensure the board's objectivity and its capacity to offer constructive challenges to management. In 2022, our governance initiatives included conducting qualitative evaluations to gain insights into the competencies and backgrounds of board members. Drawing on our findings, we actively approached companies to engage in discussions about board diversity, independence, industry expertise addressing any skill shortages that might arise as the business evolves.

During the year we attended various meetings to listen to proxy contents proponents seeking board replacements in Europe, US and Japan. Our meetings with the proponents also helped in understanding proponent's perspective in each case and make informed voting decisions.

Proxy Voting

Proxy Voting Janus Henderson typically exercises voting rights on behalf of clients at meetings of all companies in which we have a holding. Exceptions may occur if a client retains voting rights, or where share blocking, voting restrictions or other unique situations apply.

As an active manager our preference is to engage with corporate 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 AGMs with shareholders to discuss any potentially controversial agenda items. However, we will vote against a board recommendation when we believe proposals are not in shareholder interests or where engagement proves unsuccessful.

To assist us in assessing the corporate governance of investee companies we subscribe to Institutional Shareholder Services (ISS), an independent proxy voting adviser. ISS provides voting recommendations based upon Janus Henderson's corporate governance policies and highlights key voting issues requiring review by investment teams. Our in-house Responsible Investment and Governance team works with our investment teams and provides input into voting decisions. Fund managers have ultimate voting authority.

Janus Henderson has a Proxy Voting Committee, which is responsible for developing our positions on major voting issues, creating guidelines and overseeing the voting process. The Committee is comprised of representatives of fund administration, compliance, portfolio management, and governance and stewardship. Additionally, the Responsible Investment and Governance team is responsible for monitoring and resolving possible conflicts of interest with respect to proxy voting. During 2022, all conflicts of interest identified as part of the voting process were referred to the Proxy Voting Committee and resolved in accordance with our policy and procedures.

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 fund manager.

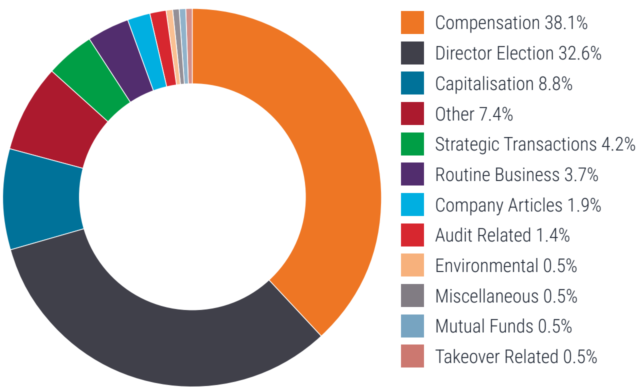
Overall, Janus Henderson voted at approximately 6,000 shareholder meetings in 2023. On average, we voted against board recommendations on 10% of resolutions. This works out as a vote against at least one board recommendation at approximately 45% of shareholder meetings.

Below, we highlight key proxy voting themes across major global markets together with examples of some notable meetings where Janus Henderson voted against board recommendations. Notable meetings have been selected to highlight the most frequently reoccurring issues on which Janus Henderson votes against board recommendations and meetings with unusually high levels of shareholder opposition.

Voting examples within the report are based on all portfolios where Janus Henderson's portfolio managers have voting authority and where the voting position was the same across all portfolios. Subsidiaries of Janus Henderson are not included within the report's findings.

UK - 2023 Proxy Season Voting Themes and Notable Meetings

Votes Against by Resolution Type



Source: Janus Henderson as at 31 December 2022. The chart may not add up to 100% due to rounding.

Executive pay continues to be the most contentious resolution item at UK shareholder meetings. 2023 saw a relatively large number of companies put their remuneration policy to a shareholder vote, due to the three-year approval cycle. Average and median voting dissent was lower than the previous two years, according to ISS, but there were still significant numbers of remuneration related resolutions with sizable opposition votes.

Amongst the most contentious was GB Group, an AIM listed software company. The company made changes to performance conditions applied to existing incentive share awards. We did not consider there to be adequate justification and voted against. The resolution, albeit only advisory, was defeated by 57%. The same issue occurred at Wizz Air, where we voted against and opposition to the remuneration report was 31%. Another remuneration report we voted against with high levels of opposition was Plus500. Concerns included poor disclosure of incentive scheme performance criteria. Opposition was 75%. At Restaurant Group we voted against the remuneration report due to concerns over the Remuneration Committee's decision to maintain award levels under the company's share plan despite a significant fall in the share price and poor performance. In total 46% of shareholders voting against.

There continues to be very active debate in the UK market about the need for greater flexibility to be applied to UK listed companies to increase executive pay to compete with overseas markets, in particular the US. Where genuine competitiveness concerns arise, and companies make a robust case that paying outside of UK market norms is in shareholder interests we believe flexibility is required. One example in 2023 was Pearson. We took the view that the company provided sound business reasons to increase potential incentive rewards due to the importance of the US market. Opposition, however, was high with 46% of shareholders voting against the remuneration report. Another company seeking to pay outside of UK norms was Ocado. We voted against, on the basis that the reward structure was potentially excessive and not adequately justified.

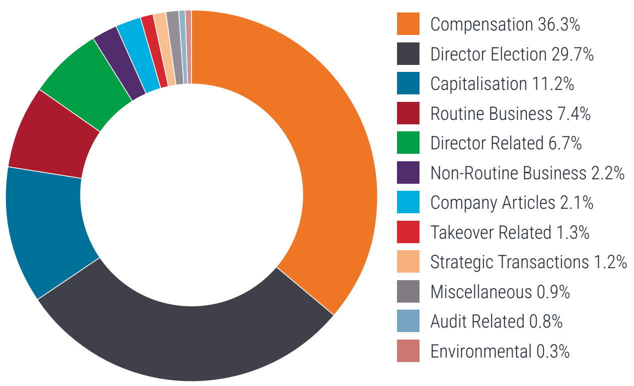
The second most frequent resolution type we opposed in the UK was director elections. Common reasons for opposition were concerns over board composition and lack of independence. For example, at CLS Holdings we voted against a director on board composition grounds - 19% of shareholders voted against.

2023 was the first proxy season after the UK Financial Conduct Authority's Listing Rules covering representation of women and ethnic minorities and required disclosures was introduced. Companies are now required to comply or explain why their board composition does not meet the minimum guidance of 40% women, at least one senior board position held by a woman and at least one board member from a minority ethnic background. The rule changes have helped to drive further improvements across UK companies. Our experience has been that companies not complying with the minimum criteria are providing reasonable justification as they report on plans to move in line with the guidance over time.

There were relatively few resolutions in 2023 on environmental and social issues in the UK market. The trend for say on climate proposals was significantly down, with 7 this year compared to 17 in 2022. The most high-profile climate proposals were at Shell and BP. We voted against the proposals. Whilst both companies have much to do to deliver on their energy transition plans, we considered these specific proposals to be too prescriptive and infringed on board autonomy. Support was 20% and 17% respectively.

Europe - 2023 Proxy Season Voting Themes and Notable Meetings

Votes Against by Resolution Type



Source: Janus Henderson as at 31 December 2022. The chart may not add up to 100% due to rounding.

Compensation

Executive remuneration continues to be a significant issue, with high levels of dissent recorded across many major European markets. Our most frequent issue of concern is poor alignment between pay and performance. Remuneration related resolutions were again the most common resolution where Janus Henderson voted against management recommendations in 2023.

At Luxembourg company Befesa, we voted against the remuneration policy and remuneration report due to

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concerns over the alignment of pay and performance. Both resolutions were rejected by 54% and 80% of shareholders respectively. We had similar performance concerns at German company HelloFresh where we voted against the Remuneration Report and the resolution was defeated by 63% of shareholders. In France, we voted against Remuneration Policy at Ipsos, with concerns over poor disclosure and excessive termination related payments. The resolution was defeated by 60% of shareholders. Other significant votes against included Italian listed company doValue. Concerns over excessive fixed remuneration led us to vote against alongside 56% of shareholders.

The second major resolution category for votes against management was director elections. Whilst not as high a level of opposition as remuneration related votes, there were still some very large levels of shareholder dissent recorded.

One notable meeting was German luxury goods company Brenntag. A dissident shareholder, Primestone, proposed countermotions to appoint their own nominated directors. We had significant concerns over governance at the company and decided to support the countermotions. This meant attending the virtual AGM to vote. Ultimately the company proposals were passed. However, opposition was relatively high at around 37%.

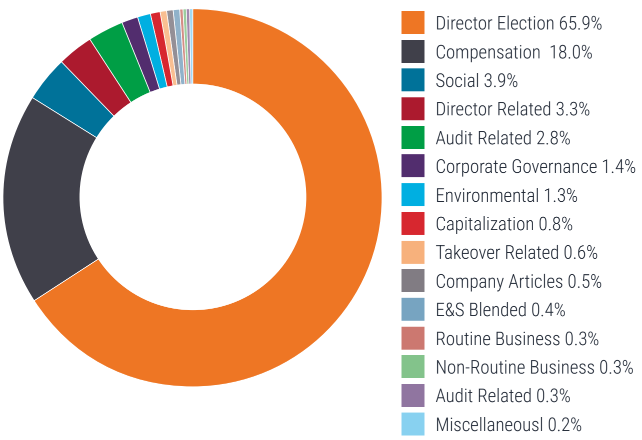
Other significant German meetings included Puma and Jost Worke. At Puma we voted against directors due to concerns over a lack of independence on the board of directors, whereas at Jost Worke we voted against directors due to concerns over excessive terms of four years. Opposition at Puma was as high as 48% and at Jost Worke it was as high as 45%.

At Barco in the Netherlands, we voted against a director due to concerns with over-boarding. Opposition was 38%. We voted against a director for the same reason at Swiss company Givaudan, and opposition there was 33%.

Notable other meetings across European markets with high levels of opposition where we voted against included Montea in Belgium. We voted against share issuance authorities that could potentially be used as an anti-takeover device (opposition was 45%). At French company Assystem we joined 79% of shareholders in opposing related party transactions. At Uniphar in Ireland we voted against the auditor's remuneration due to concerns over excessive non-audit fees. The proposal attracted 33% opposition. Finally, in Finland Nordea bank attracted opposition of 32% to proposed article changes. The company sought permission for virtual only meetings, and we voted against as we consider companies should continue to offer hybrid meetings wherever possible.

US - 2023 Proxy Season Voting Themes and Notable Meetings

Votes Against by Resolution Type



Source: Janus Henderson as at 31 December 2022. The chart may not add up to 100% due to rounding.

By historical comparisons the overall level of shareholder opposition to director elections in 2023 remained high. According to ISS there has been a drop in the number of directors receiving majority shareholder opposition, but the numbers of directors receiving more than 20% opposition is still relatively high. Director elections continue to be the most frequents agenda items where we vote against management recommendations.

The most common reason for opposition was concerns over weaknesses in shareholder rights and/or poor governance practices. At Elanco Animal Health we voted against directors due to concerns over a failure to address material governance failures (classified board) and weak shareholder rights (shareholder not permitted to change the Bylaws). Two directors received majority shareholder opposition. At Danaher, we voted against directors due to concerns over problematic pledging activity, allowing longstanding shareholdings to continue to be used as collateral for loans. Opposition was as high as 31%.

At Regeron and Snowflake opposition to directors reflected concerns over the companies maintaining a dual-class share structure without a reasonable sunset clause. Opposition was as high as 30% and 17% respectively.

Illumina was one of the most high-profile proxy contests in the US in 2023. We supported the election of two dissident shareholder nominees to the board and voted against the Chairman and CEO amidst concerns over company performance due to M&A strategy and governance. The result was the departure of the Chairman and the appointment of one of the dissident

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nominees to the board. Another significant proxy contest was at Ritchie Bros. We had significant concerns over the company's proposed acquisition of auto retailer IAA and voted on the dissident proxy against the transaction. The outcome was a narrow approval for the deal.

The second highest category for opposition in the US was remuneration resolutions such as the annual say-on-pay vote and approval of stock plans. We evaluate these resolutions on a case-by-case basis, and the most common reason for opposition stems from concerns over a lack of alignment between pay and performance. Say-on-pay resolutions we voted against included Bio-Techne Corporation (rejected by 64% of shareholders), Cisco systems (rejected by 25% of shareholders) and Workday (rejected by 17% of shareholders). New stock plans we voted against due to concerns over poor structural issues such as high cost to shareholders included Globus Medical (rejected by 19% of shareholders) and LiveRamp Holdings (rejected by 36% of shareholders).

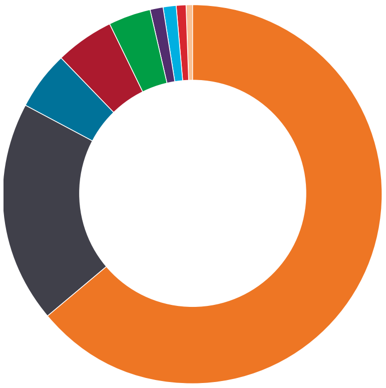
Shareholder proposals calling for the appointment of an independent board chair made up almost half of all governance-related proposals this year. We supported a significant number of them. Examples included General Dynamics, Edwards Life Sciences, Merck and Cummins. Support was 40%, 23%, 32% and 43% respectively. Other governance proposals we supported included the submission of severance agreements to a shareholder vote. Examples were AbbVie (54% support) and Eli Lilly (41% support).

2023 saw a record number of environmental and social-related shareholder proposals filed voted on. This trend, continued from 2022, has its roots in changes introduced by the SEC to allow more shareholder proposals through. Average support though declined and there was a significant drop in the number of proposals receiving majority support. The most common topics voted on were climate change, DE&I, political spending, human rights, and health & Safety.

Examples of environmental and social-related proposals we supported that received majority shareholder support included Coterra Energy (report on reliability of methane disclosures – 74% support), Expeditors (report on effectiveness of DE&I efforts and metrics – 57% support), Wells Fargo (report on prevention of workplace harassment and discrimination – 55% support) and The Kroger Co. (report on gender / racial pay gap – 52% support).

Japan - 2023 Proxy Season Voting Themes and Notable Meetings

Votes Against by Resolution Type



Source: Janus Henderson as at 31 December 2022. The chart may not add up to 100% due to rounding.

Progress in Japanese company corporate governance has acceleratedin recent years following government efforts to improve corporate governance practices such as more independent and diverse boards and improved capital allocation policies. Whilst trends are positive, there is still a long way to go for Japanese companies to adopt standards aligned with global developed market norms. Director elections and broader director related resolutions were again by far the most common category for opposition in 2023.

The positive change in mood in the Japanese market has been matched by greater activity from activist shareholders seeking to unlock value through pushing for governance reforms. One of the most significant Japanese meetings in 2023 was retailer Seven & i Holdings. A dissident shareholder, ValueAct, launched a proxy battle to replace directors with its own nominees due to concerns over poor performance and the need for strategic change. We supported the dissident shareholder. Whilst the proposals were ultimately rejected, there was significant opposition with approximately one-third of shareholders supporting the dissident board nominees.

At Tsuruha Holdings another activist investor, Oasis management, sought the replacement of several directors. We voted against the board directors and supported dissident nominees due to concerns over poor governance practices. Opposition was as high as 25%. At Sumitomo Mitsui Financial we voted against the Chairman and President due to our concerns over poor capital allocation and compliance issues. Opposition

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was 35% and 33% respectively. Concerns over poor capital allocation led us to vote against the President of Hisaka Words, where opposition was 27%. At Park24 we voted against a director due to lack of independence (30% opposition)

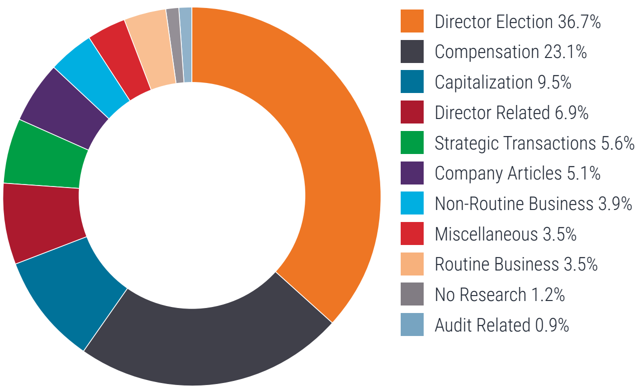
Other non-director related proxy issues included a vote against a poison pill anti-takeover device at Toy Denki that received 20% opposition and a vote against article changes at Olympus. We objected to changes that would allow for 100% virtual only meetings (opposition was 22%).

2023 saw a significant increase in shareholder proposals at Japanese companies. Environmental related proposals of significance included Toyota Motor and Mitsubishi Corporation. We supported a proposal to amend the articles to report on corporate climate related lobbying aligned with the Paris agreement alongside 15% of shareholders. We also supported a proposal at Mitsubishi to amend the articles to disclose GHG emissions reduction targets aligned with the Paris Agreement. Support was 20%.

On the governance side, we supported a shareholder proposal at Tachi-S Co to increase the dividend. We had concerns over the company's capital allocation policy and high cash reserves. The proposal received 33% support, reflecting widespread shareholder concern.

Asia - 2023 Proxy Season Voting Themes and Notable Meetings

Votes Against by Resolution Type



Source: Janus Henderson as at 31 December 2022. The chart may not add up to 100% due to rounding.

Across Asia director elections continues to be the resolution category we are most likely to vote against. Common reasons for opposition include low levels of board independence and weak disclosure.

We view a high level of board attendance as a requirement for approving director re-election. Any low level of attendance we believe should be accompanied by a good explanation from the company. We voted against director re-elections at China Water Affairs Group and Lenovo Group on this issue. Opposition was 38% and 34% respectively. Lack of information surrounding board changes led us to vote against at PT Telkom Indonesia. Opposition was 30%. At Power Grid Corporation of India we voted against directors due to low levels of independence and opposition was 28%.

Executive compensation was the second resolution type we were likely to vote against in 2023. Whilst every market is different, common themes exist such as poor alignment with shareholders, excessive dilution, and low transparency. At Chinese sportswear company Li Ning, we voted against a share plan due to concerns with excessive dilution and poor plan design. The plan was rejected with 56% opposition. At Techtronic Industries we voted against amendments to share award schemes for very similar reasons, and opposition was 45%. At Tencent concerns reflected potentially excessive dilution, lack of information of performance targets and poor governance oversight. Opposition was 28%.

Votes against approval of pay more broadly included South Korean company LG Corp. and Australian Bank Macquarie Group. At LG Corp. higher levels of board compensation were proposed with inadequate justification. At Macquarie Group we had concerns over quantum and a lack of alignment between pay and performance. Opposition was 34% and 19% respectively.

The third most significant area of voting opposition concerned share capitalization issues, such as the authority to issue additional shares. We routinely vote against this proposal if we have concerns over potential dilution or the potential for misuse of new share issuances. Companies where we voted against on this issue included China Mengniu Dairy (50% opposition), China Oilfield Services (25%), China Resources Land (29%) and Zai Lab (48%).

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